

THE Southwestern SOCIAL SCIENCE QUARTERLY

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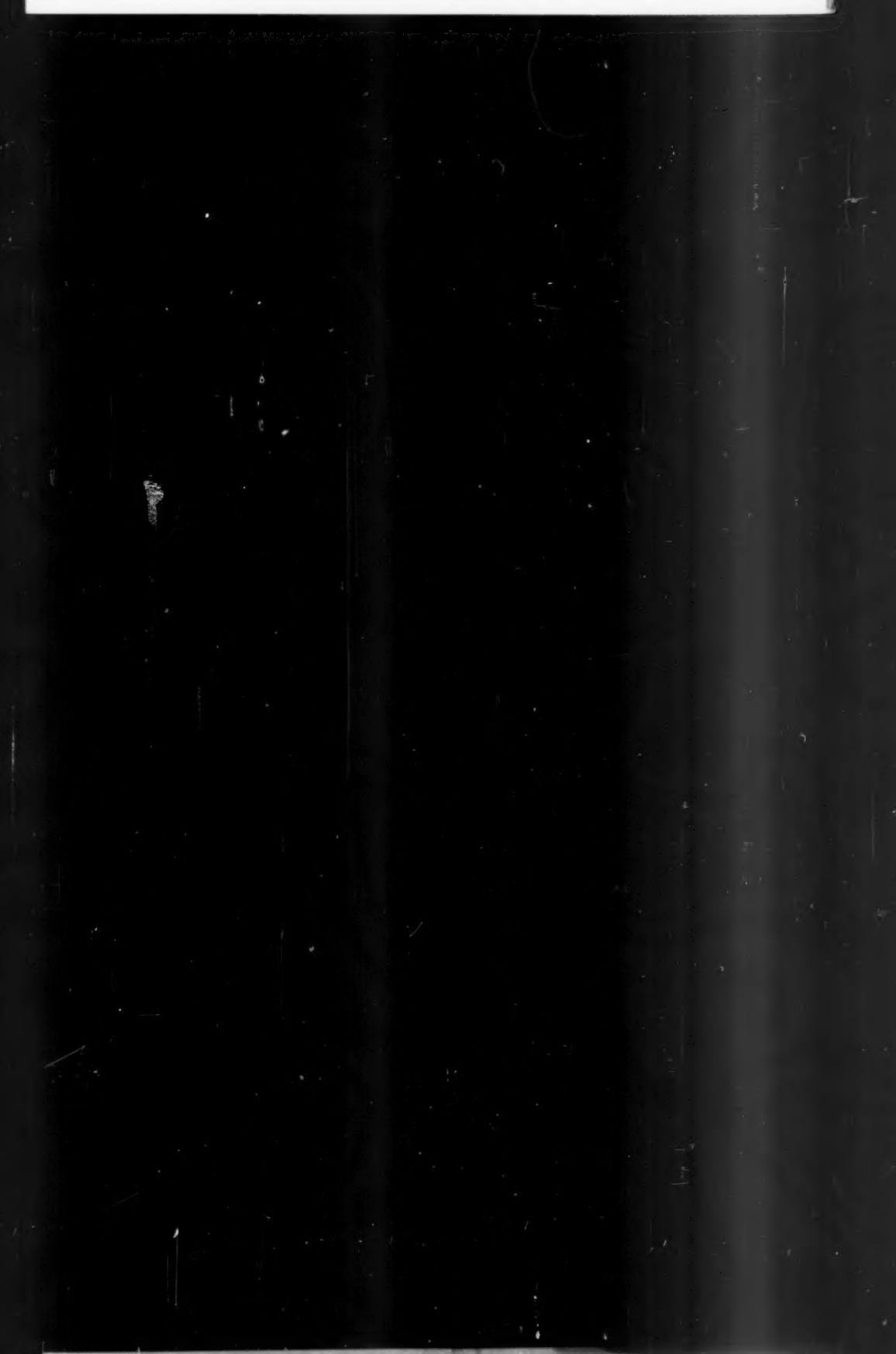
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President's Address: Slavery and Retribution

ALFRED B. SEARS

Introductory Remarks to Institutionalism
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BENJAMIN HIGGINS

Folklore of Institutional Economics

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Clarence E. Ayres and a Larger Economic Theory

MANUEL GOTTLIEB

Institutionalism and Economic Development

CLARENCE E. AYRES

The Market as a Factor in Economic Growth

WILLIAM C. FREDERICK

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President's Address: Slavery and Retribution

ALFRED B. SEARS
UNIVERSITY OF OKLAHOMA

THE SOUTH'S ANTE-BELLUM PROBLEM was not the Negro, but slavery; today the South's problem is not slavery, but the Negro. When thus viewed it becomes evident that whereas slavery was an almost insoluble problem, the Negro is a soluble one. Slavery, moreover, was not only a Southern problem, it was a national one; and today the Negro is a national one; yes, actually an international one; for the way we solve our colored problem will largely determine the way the world's colored population—a majority of the world's population, let it be noticed—will view us.

In these days when 240 million black Africans, on fire with a fervent nationalism, are rapidly moving toward political democracy, economic self-determination, and ethnic equality; when a million American Negroes serve in the Armed Forces in the Second World War, when an American Negro wins the Nobel Peace Prize, when a Negro bishop has been added to the College of Cardinals, when a new African leader appears on the cover of *Time* magazine, when fifty-seven Negroes have earned places on the rosters of our major-league baseball teams, it is difficult to see how we any longer dare keep our seventeen million black brethren in a state of economic, social, and political inferiority as second- or third-class citizens; or, permitted an equal chance, how our tenth man can be much longer excluded from labor organizations, the professions, our lodges, hospitals, schools, and churches, and from at least a tenth of the offices, awards, and honors available in our country. It becomes increasingly evident for all to see, who *can* see, that race, religion, and geographic distribution are irrelevant.

Yes, the Negro is the nation's greatest domestic problem today, but a problem which can and will be solved. He constitutes an issue which challenges our best thought and action; our honesty, self-respect, and integrity; our sense of justice. But in a larger and truer sense the black man is not our major problem today; our major problem is the white man. Gunnar Myrdal,

NOTE.—Presidential address delivered at the annual convention of the Southwestern Social Science Association, Dallas, Texas, April 15, 1960.

Kenneth M. Stamp, John Hope Franklin, Vann Woodward, Melville Herskovits, and dozens of others have proved this to the hilt. Too many whites still refuse to accept the dictum of John Locke, Thomas Jefferson, and George Mason that "all men are created equal and endowed with certain inalienable rights." It is for the extension of these human rights to all men that we must dedicate our most strenuous efforts.

The historian cannot view the Negro problem in the United States today without seeing it in historical perspective, and he respects the judgment of history. Slavery was always an evil, whether white or black. And the social slavery of today is just as evil as the economic bondage of yesterday, for without social equality there can be no freedom; for half-equality or quarter-equality is not equality at all. Who created this vast social chasm between the whites and the blacks?

What I now have to say is drawn from the accounts of foreigners traveling in this country before and since the Civil War. We may start with John Wesley, who called the slave trade "the execrable sum of all villainies," and who put the Methodist Episcopal Church on record in its organizational meeting of 1785 with the statement that "we do hold in deepest abhorrence the practice of slavery." Yet thirteen years later (1798) Francis Asbury could lament: "Oh! to be dependent on slaveholders is in part to be a slave, and I was free born. I am brought to conclude that slavery will exist in Virginia perhaps for ages; there is not sufficient sense of religion nor of liberty to destroy it; Methodists, Baptists, Presbyterians in the highest flights of rapturous piety, still maintain and defend it." Charles Dickens, Anthony and Mrs. Trollope, Alexis de Tocqueville, Fanny Kemble Butler, Lord Bryce, and dozens of others regarded it as the one great blight on the prospects of the young republic.

Most foreign travelers were appalled and saddened—if not sickened—by ante-bellum slavery; a sensation of justice breached, and retribution unavoidable; the potentials it held for race-war, sectional conflict, community massacre, and individual barbarisms. They could see no solution for getting rid of the anachronistic and evil institution; yet they knew it had to go. They were reluctant to denounce it in the violent terms which they felt it deserved because they were sympathetic with those caught in its meshes; like American apologists they accepted it as a historic evil which had gradually, and almost imperceptibly fastened itself on the economy of the South. But they did not accept the proslavery argument. Rather they felt that retribution was inevitable and that justice must ultimately triumph.

Thus, Richard Flower, writing from Lexington, Kentucky, in June, 1819, said: "It is worthy of inquiry, whether it is likely Americans will escape the

judgment with which God has afflicted other nations while their land is infected with personal slavery. . . . Slavery is the spot which clouds the American sun of liberty. . . ."

Through the travel literature, it is apparent, runs a strong strain of retribution—of justice not done and scarcely considered; of judgment impending, and inescapable; as De Tocqueville put it, "the retribution of nature upon those who have broken her laws." This historic yet ever present obsession is the theme of this paper.

Now retribution is a sound doctrine in law, economics, sociology, and religion. No individual or nation can escape the consequences of its actions. This is the major teaching of the Old Testament: God rewardeth the righteous and punisheth the wicked; whatever a man sows, that shall he also reap; what a nation sows, that must it also reap.

Later in Hebrew history evolved the concept that God the Avenger is but the instrument of God the Just; that the avenger Himself cannot turn aside the inexorable. It is His superior knowledge of the consequences of evil actions which had seemed to make Him both judge and executioner. Retribution is a law which even God cannot break.

The New Testament doctrine goes one step further and emphasizes forgiveness and reconciliation; but even the new covenant cannot dispense with retribution. Forgiveness, yes; but not evasion. We are punished by our sins, not for them. This is what Jefferson had in mind in 1782, when he said, "Indeed, I tremble for my country when I reflect that God is just; that His justice cannot sleep forever." And five years later (1787) George Mason expressed the same thought: "Slavery brings the judgment of heaven upon a country."

This is the retributive Nemesis of which Emerson spoke in 1841 in his essay "compensation"; no evil deed goes unrequited; these are the penalties that must be born to right historic wrongs; these are the payments that must be paid to balance the ledger. This is retribution.

Thus in the end justice must be done. For a time its demands may be submerged, evaded—yes, even defied—but in the fullness of time we cannot resist its demands. It will bend us to its way or it will break us. This is retribution. In our land today and in all parts of the world oppressed people are demanding fair play, for the right to be themselves and to decide for themselves. We do not approve of all they say. But this is not the point. The time for them to speak out has arrived and no power can keep them silent. This is retribution. Thus we find ourselves in a time of action, of decision, of opportunity to be parties to the achieving of justice for the oppressed everywhere.

Between the Missouri Compromise of 1820 and the war of 1861, Europeans viewed with alarm the growing menace of slavery. They saw in its extension after 1850 a new chapter unfolding to add to those which had eliminated the Indians and conquered the Mexicans. Now the fair lands of the West were to become the prey of an aggressive slave oligarchy which claimed a right to take their livestock anywhere. James Stirling saw in the bitter strife in Kansas the first token of the inevitable war rapidly approaching. "The present crisis in American affairs," he writes, "seems to be the retributive plague with which Providence has visited the land, in punishment of its high-handed violence towards weak and peaceable neighbors. . . . Now strife and dissension are consuming the vitals of the nation. . . . Nations, no more than individuals can sin with impunity."

Ten years earlier (1846), Alexander Mackay, a British lawyer, held that the problem of how to handle the Negroes, if freed, kept manumission from being tried or even considered. He judged the impasse would end in a race war with the Whites, North and South, aligned against the Blacks, with the Blacks losing and being exterminated or deported. He asks his readers to sympathize with the "frightful situation." He blames it all on slavery, stating, "The difference between the morals of the North and South is great, and great in proportion as slavery in the latter partakes of its more unmitigated features. Making every allowance for the difference of climate, that cannot, of itself, explain the phenomenon. It is only under a system which promotes a laxity of habits, blunts the moral perceptions, engenders leisure, and fosters pride, that could arise those quick resentments, that morbid sensitiveness, that false sense of honour, that proneness to quarrel, and that indifference to human life, which so broadly distinguish genuine society in the South. . . . There is something unfavourable to the development of the better feelings of our nature, when the mind becomes reconciled to a monstrous violation of the laws of nature."

When the war finally came some foreign travelers found it difficult to determine what it was all about. Thus, Charles Lyell, the English geologist, at Louisville in 1864, could only conclude, "This great country is shedding white blood to wipe out the dark stain of black slavery, it appears."

Lincoln said it more eloquently, and sadly, in his second inaugural: "If God gives to both North and South, this terrible war, as the woe due to those by whom the offense came, shall we discern therein any departure from those divine attributes which those believers in a living God always ascribe to Him . . . ?

"Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. Yet, if God wills that it continue, until all the wealth piled by the bondsman's two hundred and fifty years of unrequited

toil, shall be sunk, and until every drop of blood, drawn with the lash, shall be paid by another drawn by the sword, as was said 3,000 years ago, so still must it be said, 'The judgments of the Lord are true and righteous.' "

It is surprising that the proslavery argument was ever advanced. I cannot think Hammond, Harper, Dew, Stringfellow, Hodge, and Bledsoe believed it any more than I can accept the idea that businessmen today believe their own advertising. They were trying to sell a bill of goods. But they could not sell it to Henry Clay, for as he said in 1838, "If slavery is a blessing, the more of it the better, and it is immaterial, upon that hypothesis, whether the slaves be black or white." And Robert J. Breckenridge the same year spoke for scores of other Southern intellectuals when he wrote: "The people of the South may take their choice either to rid themselves of the sin of slavery peaceably and righteously, or, by persevering in their present course, leave a legacy of blood to their children." And Calhoun committed moral suicide when he espoused it, and in converting tens of thousands of his fellow Americans to it damned himself and his colleagues and his section to bloody fratricide.

But Clay did temporize, and palliate, and straddle, until he lost the support of all extremists. We can understand that, for being a politician he would much rather have been President than right! Lincoln was a politician, too, and in 1858 would rather have been Senator than right, for at Charleston, Illinois, he stooped to make the speech that is today most quoted in the South. Perhaps it was the only one he ever made, of which, later, he must have been ashamed. He said:

"I am not nor ever have been in favor of bringing about in any way the social and political equality of the white and black races. I am not nor ever have been in favor of making voters or jurors of Negroes, nor of qualifying them to hold office, nor to intermarry with white people. I will say in addition to this that there is a physical difference between the white and black races which I believe will forever forbid the two races living together on terms of social and political equality; and inasmuch as they cannot so live, while they do remain together there must be the position of the superior and inferior, and I, as much as any man, am in favor of having the superior position assigned to the white man."

In looking back on the Civil War and its causes just eighteen months after its close, the English barrister Henry Latham wrote in his journal, "They did not so much quarrel about slavery, as because slavery had rendered them at heart hateful to one another. . . . The hearts of the White Race in the South were hardened." Due to slavery's effect on their character and temper they were "rendered incapable of maintaining friendly intercourse with the Northern States." Emancipation, of course, did not solve the

problem; it just changed its nature. It is still with us and largely unsolved.

The problem is a moral one, and like all other moral problems it will not be settled except in accordance with the highest concepts of justice. As late as 1908 Sir Harry H. Johnson concluded the South had never made appropriate "retribution" (the word is his) for its nurture of slavery. And in 1912 Paul de Constant, French senator and long-time delegate to the Hague, still saw the problem as utterly unsolved. He wrote: "The day of reckoning is sure to come sooner or later. The United States are bearing the chastisement for one of Europe's worst crimes. In our time there can be no enslaving a nation, and still less a race with impunity. Sooner or later, right has its revenge. . . . Yes, the day of reckoning always comes and . . . We seem to be paying very dear for the sins of our ancestors. . . . The sins of the fathers are visited upon the children. They cannot escape it; every day that passes brings the obligation to choose whether they will add injustice or make amends for it."

But where were the ministers and laymen of God in this long and bitter controversy? Where are they now?

A study of history shows the ante-bellum church was more active in converting the slaves and ministering to their religious needs than it ever has been since. Many reasons dictated this policy: that the master was truly interested in soul-saving, I think, may be rejected; that the master had a guilty conscience, which he wished to salve, may have some merit; but the cynical, realistic slaveowner knew that the chief reason was to give the slave an outlet for his emotional and religious nature—truly an opiate which gave him a view of the Green Pastures hereafter and thus made him more docile in conduct and philosophic about his status here. Self-interest was the motivating factor, and when religion proved a psychological therapeutic, the opiate to preserve peace and good conduct, the master gave the missionaries and ministers his paternalistic benediction. It was a fair division: God could have his soul if the master could have his body. Here and there, of course, were masters who recognized the grand tragedy in using Christianity as a palliative for the abomination and welcomed in sincere faith the idea that slaves might become free in Heaven, but caught up as they were in the system, they could not give up at so great a sacrifice a way of life and the expected profits on their investment.

After emancipation most masters, having overcome their resentment for the loss of their property, washed their hands of the freedmen. What support they had given the churches for them was discontinued. Moreover they pressured the clergy to abate their activity, so that by 1887 one annual meeting could report, "The church has failed to manifest an abiding interest in colored evangelism."

Where amelioration and mitigation had been the driving forces before the War, now sympathy and solicitude were replaced by positive dislike, aversion, and hate. Granted political and civil freedom the former slave was now deprived of all affection and compassion—no matter how paternalistic it had been—and separation and segregation were insisted on. Thus until recently the attitude of the white public has been worse—not better—than that of ante-bellum society. For sociologically, as De Tocqueville pointed out in 1835, "There is a natural prejudice which prompts men to despise whomsoever has been their inferior long after he has become their equal." Rather than admit the Negro to our society, where in fair competition we feared we might not be able to continue our position of superiority, we turned to a variety of fascism, and condemned him because of his race, color, origin, and previous condition of servitude. We refused to admit him to our society. We would keep him slave in everything but name.

The integration of Negroes into American society is still very incomplete after one hundred years owing to the persistence of a fallacious anthropology, namely, racism. And this racism became a national fixation shortly after the Civil War.

Psychologically and sociologically, for the Southerner to have accepted the equality of the Negro after 1865 would have been an admission of guilt, not only for the injustice of the slave system but also for the disaster of a war which cost the lives of 600,000 white boys. The face-saving new article of faith had to be a racist social status which would continue the freedman "in his place"—his place of inferiority. This is racism, a doctrine recently resurrected in Germany by Hitler and one which had long had strong advocates in the United States, in fact, in all the White man's countries. "White Supremacy" is a term that has enjoyed a wide popularity for a long time; it still does. Racism easily gains support and in our West has been used against the Chinese, Japanese, and Mexicans; in the North and East, against Jews, Irish, Italians, Hungarians, and now the Puerto Ricans—not to mention the Negroes. In spite of the findings of science Mussolini and Hitler flourished in Europe in the thirties. Yet the war blasted White Supremacy for millions in the United States and for most of the fifteen million American boys (and girls) who served overseas.

Now American life is institutionalized and the most powerful institution in America is the church. What has been the attitude of the Christian church toward the Negro? We may use the Baptist Church as an example since the Southern Baptists have comprised the largest religious denomination in the South since the Civil War. (I mention them only because they are the largest and most influential; other denominations have been willing to follow.) They set the postwar pattern, the orthodox attitude toward the Negro. This

pattern was institutionalized racism. Under this pattern the Southern Baptists have maintained that Nordic, particularly Anglo-Saxon, whites, especially those in the American South, are a pure and superior race; that God created distinctions among men by dividing them into races and predestined these distinctions to be permanent; that the races differ fundamentally in physical structure and in mental, moral, and spiritual capacity; that people of color are inferior to white people and are destined to remain inferior.

In keeping with these racist views, the church drew the color line in all their relations with Negroes. In religion they had little association with them after 1867. In politics the church opposed Negro participation and expressly or tacitly approved legal and extralegal devices which Southern whites employed to disfranchise them. In the rebuilding of the South, the Negroes were viewed as farm hands and artisans, but they were excluded from the professions. The church opposed integrated schools and very positively segregated themselves and their children in social relations where any possibility of equality or intermarriage could arise.

Whether Baptists led in establishing this pattern or whether they followed is extremely difficult to determine. But, that they identified themselves with it, there is no doubt; the Baptist attitude toward the freedman was the Southern view.

Now it may be argued that the Baptist Church is a congregational church with not even as much hierarchical control between 1865 and 1900 as it now has; that no churchman, editor, official, convention, or board could speak authoritatively for them in this period. Yet it cannot be shrugged off that in 1872 the Southern Baptist Sunday School Board explicitly excluded Negro congregations from its semiofficial tabulation of denominational strength; nor, that in 1886, the Southern Methodist College of Bishops cautioned their people against racial integration "in the schoolroom, the congregation, or the conference," warning them that "there is no conceivable result that would compensate for the crime against nature this theory deliberately contemplates."¹ Nor, that in 1898, the Southern Presbyterians organized a new Afro-American Church to absorb its Negro presbyteries. Thus a general movement to disaffiliate Southern whites and blacks ecclesiastically accompanied the disfranchisement of the Negroes politically. Southern Baptists and Methodists might well have pondered the question which the Southern Presbyterian General Assembly considered in 1902: whether they had been molded by—instead of helping to mold—the spirit of the age. Perhaps they paid more attention that year to the Reverend Thomas Dixon's best seller, *The Leopard's Spots*.

¹ And confirmed by the erection of the segregated "Central Jurisdiction" for the 360,000 Negro Methodists when the North and South M.E. Churches reunited in 1939.

Now we must not forget the context in which these changes took place. Reprehensible as separation and segregation now appear, the nineteenth century was one in which the doctrine of racial superiority was accepted and supposedly substantiated by science as well as by theology. The climate of opinion in the age of empire made the dark races the "White Man's Burden" and scarcely called for equality, either of treatment or status; perhaps Lincoln did mean what he said in his Charleston speech. "White Supremacy" was more a "faith" than a shibboleth and the higher intellectual, social, and moral attributes were associated exclusively with a white skin—not only in the South, but also in the North, and in Europe as well. The decline of the racial "myth" did not come until the twentieth century (it might be said not to have declined very far yet among a majority of the American people, North or South).

In any event the Baptists and Methodist were closely identified with the norms of the society in which they functioned; and they severed themselves as effectually from the Negroes after the war as they did from their Northern brethren before the war. Hierarchically organized or not, they threw their influence on the side of separation, segregation, and White Supremacy. To too large a degree it still remains there. Why Southern Baptists should have spent in 1956, for example, twelve million dollars on foreign missions in twenty-eight foreign countries, including two million dollars on the Negroes of Africa, while spending but \$171,000 on the blacks of America, whom in the name of Christ they must love just as much as those distant ones in Nigeria, is a mystery to me. But as Lincoln said, "Let us judge not!" But why not? We are being judged. All over the world the Blacks and Browns and Yellows are building up their disdain and hate for the White Supremacists. Will we be caught as unprepared and defenseless as the Romans were before the Goths and the Vandals?

Fortunately there is a new spirit abroad in the land. Ministers, North and South, are braving the fascists in their congregations, and the ruling bodies in churches are seeing the light. The teachings of Jesus are being studied and sacerdotal ritualism is being modified. The equality of all men before God and the sacredness of personality among men—truths that were evident to Jefferson and a few others in 1776 but scarcely yet "self-evident" to most people—are now dimly seen. Seen in spite of the ninety schools and churches which have been bombed in the last three years. In 1942 an interdenominational gathering in Cleveland resolved: "The Church must cleanse our own temples of race discrimination, segregation and 'Jim Crow' and thereby make ourselves more fit to minister to the soul and spirit of man" irrespective of color. And in 1946 the Federal Council of Churches resolved: "The Fed-

eral Council . . . hereby renounces the pattern of segregation . . . as unnecessary and undesirable and a violation of the Gospel of love and human brotherhood . . . and hereby highly resolves that it will work for a non-segregated Church and a non-segregated Society." The World Council of Churches at Evanston in 1954 resolved: "That segregation in all its forms is contrary to the Gospel and incompatible with the Christian doctrine of man and with the nature of the Church of Christ."

The American conscience seems to have finally come alive during the Second World War. Possibly the Nazi persecution of the Jews was the decisive factor; and the *Diary of Anne Frank* perhaps made more converts among young Americans than all the chaplains in the armed forces. The attack made by national socialism (the Nazis) on all the Christian churches of Germany differed from the avowed attempt to extirpate the Jews but church leaders in America were appalled by both. Protestant, Catholic, and Jewish leaders united to condemn the Hitler regime and to maintain freedom of conscience in religion. Popular opinion followed cautiously and somewhat reluctantly, for our racial and religious patterns of discrimination are difficult to break. But it did follow.

In conclusion, let me say that our future will be what we make it. And the future of the world will be what the white nations, which as yet have control of it, make it. The point I have sought to establish is that our history of the past two hundred years is of our own making and we still have far to go to protect its accomplishments and make amends for its errors. If we become unworthy of our world leadership—a leadership we have recently had thrust upon us—and of our responsibilities, which we have assumed reluctantly, we will lose it. We have every right to expect much more from our churches, for these same churchmen and churchwomen are leaders in every other field. They make and enforce the laws of state and nation; they make up our industrial and economic world; they direct our educational and recreational endeavors.

Edward R. Murrow in an address to the Association of Radio and Television News Directors recently said, "I believe that, potentially, we have in this country a free-enterprise system of television which is superior to any other. But to achieve its promise it must be free and enterprising." And to paraphrase Mr. Murrow, if we use this powerful instrument of communication to bring the citizenry a little illumination on subjects that may determine the future of this country, the people will somehow reach right decisions in the affairs of the nation.

Mr. Murrow is more democratic than I. I will put my trust in the church-attending public rather than the television audience. The churchmen are

avowed moral agents of our amoral age and if the world is saved, it will be saved by them. Churchmen are the thoughtful, conscientious, and dedicated persons who can furnish the leadership in times of panic and crises. Dulles, whatever you may have thought of him as a "brinksmen," was a safer leader than Khrushchev.

We make mistakes but we are usually wise enough to discern them and honest enough to admit them; but are we earnest enough to work at correcting them? Our Fulbright scholars have difficulty in proving that Little Rock is a localized situation and does not represent our national policy. Little Rock is one place in the United States which gets world coverage in the foreign press. One of my colleagues recently returned from Peru where he spent a year, mostly explaining to his audiences that our racial crises are confined to a few spots in a few Southern states. If it were true that these spotlighted areas were our only concern, we might relax for another hundred years, but we are finally aware that this is a national problem which we as individual citizens must deal with before it involves us as a nation in new international conflicts. The shame of Little Rock is our shame just as Khrushchev's treatment of Boris Pasternak is Russia's shame. It is rumored that Pasternak is closer to the thinking people of Russia than any political leader; is Orville Faubus closer to the people of the United States than any of our political and church leaders?

Prior to the Civil War, Southern slavery was America's most profound and vexatious social problem. More than any other issue slavery nagged at the public conscience; it demanded statesmanship of uncommon vision, wisdom, and boldness. The War cut the Gordian Knot. A solution for the insoluble had been unexpectedly found. But today American Negroes still await the full fruition of their emancipation. We are all too slowly learning from the natural and social sciences about the Negro's potentialities and about the basic irrelevance of race; too slowly we are discovering the roots and meaning of human behavior. Too slowly we grant equality of opportunity for self-expression and self-realization; for the achievement of a dignified and respectable position in society; for the establishment and maintenance of fair play and justice in all civic relations. These must be achieved before our colored citizens can be truly free. And whatever this new emancipation may cost us in humiliation, contrition, confession, and reparation, it is a price that must be paid. Justice and morality can demand no less.

The dream of universal harmony belongs to every generation. A world peopled by those who can trust each other and tolerate differences, founded upon some measure of common understanding, may yet permit us to save ourselves from global disaster without paying the price of racial wars. It is our generation's responsibility to make the right decisions.

An Unpremeditated Symposium on the Economic Theory of Clarence E. Ayres

Clarence Ayres and the Tower on the campus of the University of Texas are two of the dominant features of the academic landscape in the Southwest. Both have been centers of controversy ranging in intensity from mild to boiling; it seems that few who have considered either have escaped partisan reaction for or against. Frank Dobie has argued that the Tower ought to be laid on its side and a gallery built along at least one side. Some economists have argued that Clarence Ayres should be laid on his side and protected by an earth-fill of about six feet. Others have hailed the Tower as a fitting symbol of the lofty ideals of academia, and Clarence Ayres as the true prophet of the newer economics.

The following pages of this issue of the *QUARTERLY* are devoted to four examinations of Ayresian economic theory. They range from bitter attack to capable defense, with a note of mildness in between. Together they should give the reader a fairly complete view of this scholar's ideas.

These papers were not solicited and there was no idea of a symposium on Ayresian theory when the first of the four—that by Jack Robertson—was received. This paper was soon followed by that of Manuel Gottlieb. Both were highly recommended for publication by economists respected for their competence in the field. At this point Ayres was informed that the papers had been received and agreed to write the explication of his position which appears in this issue of the *QUARTERLY*. Still later Ben Higgins also agreed to do a short paper on his reaction to Ayres's theory.

The fifth paper, that by William C. Frederick, was written and accepted with no reference to its pertinence to Ayres's theory. But it is evident that such pertinence does exist and that its being received at this particular time is a happy coincidence.

It is with some pride and with the hope that they may aid in the understanding and evaluation of an interesting and important contribution to economic literature that these articles are presented.

Harry Estill Moore
Editor

Some Introductory Remarks on Institutionalism and Economic Development

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THE NEW INTEREST IN ECONOMIC DEVELOPMENT, particularly the economic development of underdeveloped countries, is compelling professional economists to reconsider many of their accepted tenets. In particular, preconceptions regarding scope and method have given way to the strong pressure to find quickly new analytical frameworks to guide us in maintaining steady growth in countries already enjoying it, and in producing a "take-off into sustained economic growth" in still-stagnant areas.¹ Development economists are learning that the sharp dividing lines which some of us sought to maintain between economics on the one hand, and psychology, sociology, history, anthropology, political science, and technology on the other, become fuzzy and misleading when tackling problems of economic development.² Economists are discovering—or rediscovering—that the intensity and effectiveness of entrepreneurial activity depend on the sort of socio-psychological factors summarized by McClelland in his index of "need-achievement";³ that the "absorptive capacity" of any country, in terms of the amount of capital and foreign aid it can effectively use for development, is determined as much or more by political and cultural factors as by economic or technological ones; and that resolving the conflict between maximizing employment and maximizing output may require a new kind of technological progress, which will raise the ratio of labor to capital while reducing the capital-output ratio.

¹ See Benjamin Higgins, *Economic Development: Principles, Problems, and Policies* (New York, W. W. Norton & Company, Inc., 1959), Chap. 17, especially pp. 413-416.

² See Benjamin Higgins, *What Do Economists Know? Six Lectures on Economics in the Crisis of Democracy* (Australia, Melbourne University Press, 1952), Chap. 1.

³ D. C. McClelland, "The Nature of Community Development and the Nature of Human Motivation: Some Implications of Recent Research" (paper presented to the Conference on Community Development and National Change, Massachusetts Institute of Technology, CIS, December, 1957); see Higgins, *Economic Development*, Chap. 13.

These and other crucial problems of economic development clearly lead economists far beyond the borderlines of "standard economics," as it was generally understood, and reflected in textbooks, before the Second World War. Moreover, it is not just a matter of becoming acquainted with the literature in peripheral fields. Our colleagues have not asked precisely the right questions; either we must persuade them to collaborate with us in answering our questions, or we ourselves must become amateur sociologists, anthropologists, historians, and the like.

Naturally enough, this situation has led to a reappraisal by "standard economists" of "institutionalist economics." Up to the end of the war a tendency existed among orthodox economists like myself to regard institutional economics—in its theoretical if not in its "opaque fact" aspects—as a loosely interwoven set of ideas collected more or less at random from a wide range of disciplines. Thus in my Melbourne lectures I characterized institutional economics as follows:

The Institutionalists follow the footsteps of Thorstein Veblen. They can be subdivided into two camps, each of which takes its direction from one part of Veblen's teachings to the almost total exclusion of the other. The first branch (which includes such economists as Gambia, Ayres, Ise, and Innis), is continuing Veblen's efforts to develop a social dynamic theory. The second, led by the late Wesley Mitchell and centering around the National Bureau of Economic Research in New York, takes from Veblen his emphasis on the "opaque fact," and restricts its activity to somewhat unimaginative fact-gathering, to the almost total exclusion of explicit economic or social theory of any kind.

... As Gambia put it, the Institutionalists "have made—or, at least, valiantly tried to make—its doctrines conformable to those of anthropology, ethnology, psychology, genetics." A good example of the results of this kind of economics—if indeed it is economics at all—is provided by Ayres' book on the *Theory of Economic Progress*. The pages are sprinkled with *obiter dicta* on social psychology, anthropology, psychiatry, biology, and politics, interspersed with startling generalizations which often seemed to have little connection with the preceding observations. The theories also assume, without examination, that micro-economic and macro-economic relations are co-determined and therefore mutually consistent.⁴

One of my chief reasons for welcoming the proposal to participate in this symposium is that it provides the opportunity to recant this view, as a sadder and—I trust—wiser man since grappling with problems of underdeveloped countries. Professor Ayres and his fellows, it is now clear, have long been doing the sort of thing all "development economists" now find it necessary to do.

⁴ Higgins, *What Do Economists Know?* pp. 38–39.

There remains, however, the important question "How well have they done it?" What insight, for example, does Professor Ayres's work provide into the actual process of economic development and cultural change? Above all, what does it tell us about specific programs and policies to generate a take-off and to sustain growth thereafter? This question may be discussed under three headings: the polemic against "standard" economics; social criticism; and the theory of economic development.

I have always enjoyed the institutionalist polemic much less than their positive theory. Some of the reasons for this reaction are well expressed in Professor Robertson's paper.⁶ As he points out, standard economics has developed far beyond the positions for which Professor Ayres still tends to criticize it. Students who have been particularly susceptible to Professor Ayres's influence have an unfortunate tendency to divide the whole of economics into "price theory" (which is bad) and "institutionalistic" economics (which is good). Unless Professor Ayres is to claim everything but price theory as institutionalism, this dichotomy can be very misleading. The theory of economic fluctuations, the theory of steady growth, Schumpeter's analysis of cycles and growth, the Keynesian version of comparative statics, and econometrics (as opposed to mere collection of opaque facts) are in some sense extensions of price theory, but so different from what is ordinarily understood as price theory as to be separate branches of the discipline.

Moreover, as Robertson points out, much of the recent work of the price theorists has been directed towards analyzing the *imperfections* of the market. Galbraith's recent book, *The Affluent Society*,⁷ is essentially a damning criticism of the market as an allocator of resources in an advanced society. It is not quite true, as Professor Ayres states, that "in Washington everyone is an institutionalist."⁸ An absorption with policy is not the same thing as using institutionalist categories or methods to solve policy problems. One can find in Washington a good many economists who would choose neo-classical tools to analyze a problem of tax incidence, or Keynesian tools to tackle a problem of employment policy. Nor can they properly be called "institutionalist" because they may take account of the political and social framework within which the policies must be carried out.

On the other hand, in defending Professor Ayres against Professor Gottlieb's criticisms, I would point out just how bad United States economics was in the late nineteenth and early twentieth centuries. At that time, chairs in economics were often held by theologians, who tended to treat the system of private enterprise under free competition almost literally as though it were

⁶ See pp. 22-31 of this volume.

⁷ J. Kenneth Galbraith, *The Affluent Society* (Boston, Houghton Mifflin Company, 1958).

⁸ *Infra*, p. 59.

divine. The institutionalist polemic can be fully understood only against this background of unquestioning support for the existing economic and social organization.

It appears that Professor Gottlieb⁸ goes too far in his claims for the "social dynamics" of the late eighteenth and early nineteenth century liberals. Perhaps a theory of social evolution was implicit in their writings but, with the exception of Malthus, nothing that can properly be called a theory of economic development. Malthus' observations on underdevelopment in Latin America, his use of a two-sector model to analyze these problems, his recognition that the problems might not be solved by the market process alone, and his understanding of the population explosion endemic to the early stages of industrialization—all add up to something very close to the modern theory of underdevelopment. However, he was almost unique in this respect among writers of his period. The classical school, and the neo-classical economists who followed, really had only a theory of capital accumulation, which was indeed an extension of price theory, and not at all the same thing as a theory of economic development. It may be that in relatively advanced economies, a higher rate of investment will assure a satisfactory rate of economic growth because of the technological progress that a high rate of investment permits. Experience since the Second World War in the United States, Canada, and Australia casts some doubt on even this proposition. Certainly nothing in the development theories of the classical school provides the key to formulation of policies and programs to assure a take-off into sustained growth in the now-underdeveloped countries.

Turning to social criticism, I might begin by saying that the fundamental problem of economics is poverty, and with the virtual disappearance of poverty in advanced countries, it is natural enough for economists to turn their energies towards underdeveloped areas. Pockets of poverty still exist in every country in the world, and these constitute a challenge to the economists. Lapses from steady growth, which prevent advanced countries from being as advanced as they might be, also occur. These, too, continue to be a challenge, both as a human problem and as an intellectual puzzle, to professional economists. We find ourselves confronted also with the new question posed by Galbraith: On what criteria do we allocate resources in an affluent society, where the satisfactions gained from the "marginal dollar spent" are virtually insignificant?⁹

In tackling the problem of poverty, and the related problems recognized above, Adam Smith, Karl Marx, and Clarence Ayres have one thing in common: they all have argued about social organizations and systems, rather

⁸ *Infra*, pp. 32-44.

⁹ Galbraith, *op. cit.*

than about specific policies. The implication in the writings of all three is that the solution of problems is a matter of having the right economic and social organization or system. Here, I confess, I have some sympathy with Professor Gottlieb's view.¹⁰ The problem of poverty is not a matter of the *system* of decision-making, but a matter of making the *right* decisions within whatever social, economic, and political framework exists. Economists concerned with development, whether they live in socialist countries, western democracies, or the uncommitted nations of Asia, Africa, and Latin America, are discovering that they all are speaking the same language and using essentially the same techniques. An active interchange of views and expertise among economists from three groups of nations has begun. In group meetings of experts at ECAFE, ILO, and UNESCO, it would have been almost impossible to tell, merely from views expressed, which economist came from the western democracies, which from uncommitted countries, and which from socialist countries.

This new sense of "collaboration among colleagues" in tackling a *common* problem might well become a strong unifying force, leading ultimately to the replacement of cold war with genuine harmonious co-existence. However that may be, the point which is germane to the present discussion is that today—from the standpoint of *economics*—the *design* of a system is less important than its construction, maintenance, and operation. Any system must apply knowledge and skill continuously, if it is to work well. There are no Utopias. On the other hand, socialist economies and mixed economies with private sectors ranging from 1 per cent to 99 per cent of the gross national product can be made to operate efficiently given the proper management. It is towards problems of management of economies of different political and social construction that the efforts of economists are properly directed.

With respect to the theories of economic development, one observation is pertinent here. In the discussion below, the question is raised as to whether or not the Schumpeterian entrepreneur is the key figure in technological progress, or whether technological improvements tend to be self-generated once the process of innovation is underway. My own observation in underdeveloped countries, like those of most other development economists, leads to the conclusion that it is essential for economic growth to have people in the economy, either in the private or the public sector, who are concerned with innovations, organization of new firms, and their subsequent management. The studies of the Indonesian Project at the Massachusetts Institute of Technology lead to a simple but significant conclusion: a take-off into sustained economic growth requires indigenous entrepreneurs

¹⁰ *Infra.*

to appear simultaneously with the presence of a political elite who have the power and the wish to encourage entrepreneurial activities—whether in the public or the private sector. Professor Ayres might argue, and I would agree, that a technologically advanced society is likely to produce this combination, so as to guarantee continuing technological progress. The main point, however, is that this controversy becomes less important if we are not concerned with designing a social or economic system which will guarantee economic growth forever more, but with the continuous management of the economy so as to produce economic growth. Evaluation of the role of the entrepreneur becomes a matter of importance if one is passing judgment on the justice of entrepreneurial rewards. But when one is concerned with development policies, it becomes rather a matter of seeing to it that some people with the right sort of capacity are concerned with the task of producing innovations.

The question is, then, what has institutionalism to offer by way of analytical tools and the framework for policy-making? In my view, the institutionalists should be willing to submit their system of thought to the same tests as any other system undergoes: (1) Rigorous expression as a system of causal relationships. Great advantages exist in the submission of a system of thought to the requirements of mathematical expression. Any clearly worked out theory which is based on causal relationships can be expressed in equations. It is preferable that the variables in these equations be measurable, to permit empirical testing. As I have pointed out elsewhere, in the field of economic development, we are badly in need of a refutable hypothesis.¹¹ We would do well to abandon the purist approach once embraced by the present writer, which insisted on explanations that are both necessary and sufficient, and adopt explanations that are merely sufficient, until they prove inconsistent with other theories or observations, as the natural scientists do. But if an hypothesis is to be clearly refuted, it must be cast in a form which will permit empirical testing. By and large, institutionalists have not cast their basic principles into this form. (2) The institutionalists should be prepared to tackle basic policy problems. I suggest development of underdeveloped countries as a problem for which institutionalist thought is best suited: if institutionalism is good for anything, it should provide guidance for policy in underdeveloped countries.

Perhaps the most important point to be made in connection with this symposium, however, is that it is no longer a matter of institutionalist versus standard economics: we do not have to choose between these two systems of thought. We can be eclectic, picking the stronger threads in each fabric and weaving them into a web of thought superior to either. If we could

¹¹ Higgins, *Economic Development*, p. 415.

take the broad interdisciplinary scope of the institutionalist, add the rigorous and systematic method of analysis of standard economics, we might eventually produce a true science of society—which is the same thing as a true theory of economic development. It would be pleasant to think that this synthesis might be achieved here in the Southwest where the institutionalist tradition has been strong and where there is increasing cross-fertilization with standard economics.

Governmental Accounting and Finance Institute

The sixth governmental accounting institute, sponsored by the Institute of Public Affairs of the University of Texas, was held in Austin late in April.

Speakers included William H. Baughn, assistant dean, College of Business Administration, University of Texas; James C. Dolley, vice-president, University of Texas; Howard W. Mays, assistant attorney general, State of Texas; Robert A. Casey, Casey and Moreland, Texas City; Thomas B. Murphy, director of finance, Corpus Christi; C. Rodman Porter, Texas Re-

search League; C. F. Craig, assistant city auditor, Dallas; Horace H. Busby, Business Research Corporation of Texas; A. P. Couch, director of finance, Lubbock; David F. Turner, Waterhouse and Company, Houston; Frank D. Graydon, associate professor of accounting, University of Texas; Kenneth Bennight, Doughty and Company, Corpus Christi; W. E. Tinsley, Municipal Advisory Council, Austin; J. A. Burdine, dean, College of Arts and Sciences, University of Texas.

Folklore of Institutional Economics

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IN *Science the False Messiah*, Professor Clarence Ayres tells us that "Folklore is a body of truth verified by repetition and sanctified by faith."¹ This paper will suggest that Ayres's definition of folklore accurately characterizes a considerable part of institutional thought, particularly institutional criticism of orthodox economic theory.

Because frequent reference will be made to these seemingly diverse systems of thought, it will be necessary to designate what is meant by *institutionalism* and what is meant by *orthodoxy*. Public opinion will be excluded as not a party to the controversy. Whatever the economic common sense of the community, the issue between institutional and orthodox theory is one that runs at the professional level.

Orthodox theory—as a designation of professional thought—can mean no more than the body of thought held in common by most economists. The texts most frequently used today reveal it as the type of price and distribution theory initiated by Alfred Marshall and modified by Edward Chamberlin, Joan Robinson and others, and by the employment theory of Keynes.

Designating institutional thought is somewhat more difficult. Institutionalists tell us that the term itself is a misnomer—that institutions reflect what they are trying to get away from.² Further difficulty lies in the fact that the school is "trichotomized," there being the wing represented by John R. Commons, the wing represented by Wesley C. Mitchell, and the Darwinian wing represented by Thorstein Veblen. Whatever the definition, it is generally acknowledged that an institutional economics exists and that Veblen is its progenitor. It also appears that Professor Ayres closely follows the precepts of Veblen; therefore, institutional theory when used here will

¹ Clarence E. Ayres, *Science the False Messiah* (Indianapolis, The Bobbs-Merrill Company, Inc., 1927), p. 30.

² Clarence E. Ayres, *The Theory of Economic Progress* (Chapel Hill, University of North Carolina Press, 1944), p. 155 n.

designate the original mutation, the type of economics represented in the writings of Veblen and Ayres.

The thesis of this paper is that institutional economics is founded on faith which it misrepresents as objectivity, that certain of its criticisms of orthodox theory are irrelevant or unprovable, and that its principal criticism of orthodoxy is directed at a theoretical position not generally held in orthodox thought today. In the main, institutional criticism is directed against the doctrine of laissez faire. The doctrine of laissez faire, in the classical and neoclassical theory from which today's orthodoxy developed, never had but one basic justification. That was the assumption that the atomistic model of pure competition adequately represented the reality of economic activity. This blanket assumption of competition is untenable in present-day orthodoxy.

Partial credit for destroying the easy assumption of pure competition and doctrine of laissez faire must go to the institutionalists, particularly Veblen. But credit must go also to theorists who proceeded along more traditional lines.

In its task of analyzing the allocation of resources, orthodox theory today proceeds from the four basic models: pure competition, monopolistic competition, oligopoly, and monopoly. Comparison of these models with economic reality leaves little doubt that the purely competitive one is not generally adequate for appraising the modern economy. The inevitable conclusion stemming from the other three is that economic efficiency, to be achieved, must be worked at and that dependence today on Adam Smith's "unseen hand" is the height of economic folly.

R. F. Harrod pointed this out almost twenty-five years ago. Using for his analysis the Chamberlin-Robinson model of monopolistic competition and Viner's envelope of cost curves—quite orthodox tools—he concluded that a large breach had been made in the defense of laissez faire, and that "It would be wrong to dismiss the distortion away from the optimum allocation due to monopolistic-competition as unimportant."³ He added that the moral was not that perfect competition should be restored, for in most cases it probably never existed nor in the nature of the case could exist, and that this should "render us more skeptical of the benefits of a free economy."⁴

Two years after this telling evaluation by Harrod, J. M. Keynes with the publication of *The General Theory of Employment Interest and Money*, gave the coup de grâce to the paleo-orthodox fetish of laissez faire. The inevitable conclusion stemming from *The General Theory* is that the inde-

³ R. F. Harrod, "Doctrines of Imperfect Competition," *The Quarterly Journal of Economics*, Vol. 48 (May, 1934), p. 463.

⁴ *Ibid.*

pendence of decision-making glorified by laissez faire is the root cause of economic instability.

Inasmuch as today's orthodoxy proceeds along these same lines, we can only conclude that institutional economics, when it raises the charge of laissez faire, is flogging a dead horse—one that was ridden to death by its own jockies. It should go without saying that no one could hold Veblen responsible for not recognizing developments which came several years after his death. But the same cannot be said for his more recent followers.

What follows here is intended to show that Veblen in his haste to destroy the old orthodoxy built up a body of institutional criticism that crystallized before all the evidence was in and that this criticism has become a folklore, "a body of truth verified by repetition and sanctified by faith." Further, it is suggested that this folklore so rigidly held by latter-day Veblenians precludes their recognition and use of important, useful developments in modern orthodoxy.

Turning to institutional thought, we find its origins in the 1890's in the writings of Thorstein Veblen. Orthodox theory at the time was still under the compelling grasp of the default to pure competition—a grasp that it had made more than a hundred years earlier. To a man of Veblen's acute observation, the hiatus between the economics of pure competition and the reality of existing conditions made the received orthodoxy intolerable.

There is no evidence that Veblen ever considered the reformulation or modification of the orthodox theory of his day. Rather, he appears to have examined the extensive social and economic changes that had taken place since Adam Smith and concluded that economic theory to be valid must also be characterized by change. Straightway Veblen married economic theory to Darwinism. Let it be recorded that the union was at best a common-law marriage. A significant difference exists between the organic evolution expressed by Darwin and the social evolution that interested Veblen.⁵

But Veblen looked to Darwin for more than the idea of change. He sought from organic evolution the basic psychology of man. He asked, in effect, granted this origin of the species man, what endowment of psychological traits was necessary to assure the survival of man, biologically the weakest and most defenseless of animals?⁶ In direct contrast to the hedonist assumption that labor was irksome, Veblen argued that "under the selective process through which species are held to have emerged and gained their stability,

⁵ See, for example, A. L. Kroeber, *Anthropology* (rev. ed., New York, Harcourt, Brace and Co. Inc., 1948), pp. 259 ff.

⁶ See Thorstein Veblen, *Essays in Our Changing Order* (New York, The Viking Press, Inc., 1945), pp. 78-96, for a reprint of "The Instinct of Workmanship and the Irksomeness of Labor," one of Veblen's first statements of the psychological assumptions that were to permeate his economics.

there is no chance for the survival of a species gifted with such an aversion to the furtherance of its own life process."⁷ Therefore man must be possessed with an instinct of workmanship under the guidance of which efficiency and serviceability "commends itself and inefficiency or futility is odious."⁸

By this interesting method of "reasoning from selective necessity," Veblen inferred a number of instinctive proclivities all apparently beneficial to the early life of men taken as a whole. But in *The Theory of the Leisure Class* he postulated, in a pseudo-anthropological style, a multi-stage social evolution leading to the conclusion that these instincts had been seriously contaminated by habituation to predation and emulative waste. Veblen's test of waste supplied his criteria of economic behavior. He stated:

The test to which all expenditures must be brought . . . is whether it serves directly to enhance human life as a whole. . . . For this is the basis of the award of the instinct of workmanship, and that instinct is the court of final appeal in any question of economic truth or adequacy.⁹

The instinct-psychology and pseudo-anthropological framework for this scheme of thought is not even tolerated by institutionalists today.¹⁰ Nevertheless, the assumptions of predation, waste, and workmanship developed from it permeate institutional analysis from first to last.

Veblen's criteria of economic behavior bears close examination. As a categorical imperative "service to human life as a whole" is a seductive phrase sounding more like religious moralizing than objective science. The proposition is based on no stronger proof than the statement that the instinct of workmanship was a matter of selective necessity. It could be argued just as cogently that an instinct of self-regard was a matter of selective necessity in the earliest stages of man's development.

A further objection to Veblen's categorical imperative exists. Granted the correctness of the principle of organic evolution—and who could seriously deny it—it still does not follow that man must play the game out on Darwinian terms. Only *must* he do so if he is in fact possessed of such strong innate propensities that he can do nothing else. Who will today argue for the existence of such a man?

Viewed in this light, Veblen's categorical imperative seems little more than folklore, "a body of truth verified by repetition and sanctified by faith."

⁷ *Ibid.*, pp. 78-79.

⁸ *Ibid.*, p. 89.

⁹ Thorstein Veblen, *The Theory of the Leisure Class* (New York, Modern Library, Inc., 1934), p. 99.

¹⁰ Clarence E. Ayres, *The Industrial Economy* (Boston, Houghton Mifflin Company, 1952), p. 24.

More accurately, it is a proposition verified by faith and sanctified by repetition. Its origin undoubtedly lay in Veblen's predisposition to destroy the orthodox economics of his day. It had further appeal in that, once accepted, it provided a seemingly objective test of whether a particular act of consumption was economic.

If the psychology and anthropology underlying Veblen's position is questionable, what is the appeal of his writings? It rests on the fact that Veblen did bring to economics an understanding of a group of fundamental social relationships that do have continuing validity and do shed considerable light on economic problems. Primary among these were the dichotomy of technological and institutional behavior, the recognition that material and non-material culture do not change at the same pace, the concept of technological impact and of culture lag.¹¹

It should go without saying that these principles of social behavior and of social change are indispensable for handling a wide range of problems which lie in the province of economics. Today's problem of economic survival for the aged, the many questions concerning the relationship of government to the economy, even the applicability of the competitive model to today's economy—these and other problems yield to an analysis of technological impacts and institutional lags. But to hold that these concepts are *sufficient* tools for the solution to all economic problems is unrealistic. Yet Veblen attempted to analyze the modern economy with no tools other than the institutional-technological dichotomy and the assumption that human motivation was guided primarily by the canons of predation and conspicuous waste he had propounded in *The Theory of the Leisure Class*.

The inadequacy of the tools is attested by the signal lack of success achieved by much of Veblen's subsequent theorizing. For example, it is not difficult to see that Veblen's abject failure as a business-cycle theorist is largely attributable to his preconception that predation by the "Captains of Finance" must be responsible, and the notion that "an increase in an individual's ability to pay is likely to take the form of an expenditure for some accredited line of consumption."¹² His principles, as set forth in *The Theory of the Leisure Class*, prohibited Veblen's becoming even a good underconsumptionist. Absence of these notions in the rather orthodox kit of Lord Keynes permitted Keynes to develop a workable, though purely institutional—which is not to say institutionalist—theory of employment. That Keynes, a member of the leisure class, should have pre-empted this field should give pause to the most ardent institutionalist.

¹¹ One of Veblen's clearest statements of these fundamental relationships is to be found in Chapter 8 of *The Theory of the Leisure Class*. See, especially, pp. 190–197.

¹² Veblen, *The Theory of the Leisure Class*, p. 110.

Veblen's criticisms of the orthodox theory of his day were extensive. The following list is representative, though by no means exhaustive:

The theories were static; they offered "no theory of genesis growth, sequence, change, process or otherwise," and dealt "only with rational adjustment to change which may be supposed to have supervened."¹³

The psychology was that of the hedonistic calculus, which saw economic conduct as a "rational and unprejudiced response to the stimulus of anticipated pleasure and pain."¹⁴

The theories tacitly postulated "ownership and free contract, together with such other features of the scheme of natural rights as are implied in the exercise of these."¹⁵

Orthodox economics was teleological; that is, it saw in a given economic situation a tendency to an "end that is conceived to be worthy or adequate by the enquirer or by the consensus of enquirers."¹⁶

The charge that marginal theory is static cannot be denied, but it marks a limitation of the theory and not necessarily an infirmity. Orthodox theory of Veblen's day—as well as of now—sought the principles of maximizing resource use in a given period. Given an existing fund of labor, land, material equipment, and technology, it sought the answer to what use we make of what we have rather than Veblen's question of "what next." As such it abstracted from the change which Veblen elevated to priority and concentrated on the recurrent problem of economizing. Viewed in this light, the two positions are mutually exclusive only in the eyes of slavish adherents of one school or the other, for obviously both problems are of legitimate concern.

The charge of hedonism made by Veblen is open to serious question. Certainly orthodox theory assumed and still assumes that man is strongly motivated by self-interest, whether that motive be cultural or psychological in nature, but if this is hedonism, it is a highly attenuated form. To economists who have learned their psychology only from the writings of institutionalists, it may come as a profound shock that a modified hedonism still holds a strong place in the modern science of psychology.

In a recent survey of social psychology, Gordon W. Allport points out that among psychologists "Hedonism . . . as an overall conceptualization of human motivation is neither dead nor discredited. Perhaps its longevity certifies it contains a core of truth."¹⁷ Allport adds: "At the present time no

¹³ Thorstein Veblen, *The Place of Science in Modern Civilization* (New York, B. W. Huebsch, 1919), p. 232.

¹⁴ *Ibid.*, p. 234.

¹⁵ *Ibid.*, p. 236.

¹⁶ *Ibid.*, pp. 74-76, also pp. 232-233.

¹⁷ Gordon W. Allport, "The Historical Background of Social Psychology" in *Handbook*

conclusion seems justified, other than that pleasure and displeasure have some important relationship to motivation. Just what it is we do not yet know. It may be as central as Bentham claimed, or as incidental as McDougall claimed."¹⁸

As to the orthodox economists' tacit assumption of the institutional properties of capitalism, no defense can be made. Perhaps Veblen's criticism can be credited with having brought this weakness to the foreground. The significance of the objection was that it limited the validity of orthodox theory to the special case of the institutional forms assumed. To some extent this must be true. However, this may mean only that the orthodox expression of the theory is a modified form of the principles of economizing that would be met in any economy. Modern Socialists, for example Oskar Lange,¹⁹ who, like the institutionalists, also have a theory of economic change but no theory of economizing, find they can do no better than borrow orthodox price theory to explain the functioning of a noncapitalist economy. Institutionalists, if they ever face up to this problem of economizing, may find the same necessity to borrow.

Veblen's criticism that orthodox theory was teleological—that it implied a tendency to a worthy and adequate end—actually marks a defect of the theorists and not of the theory. Only in the competitive model does the theory promise beneficent results. A monopoly model existed even in Veblen's time. But the orthodox theorists of Veblen's day consistently assumed competition to the exclusion of monopoly. Developments in orthodoxy since Veblen's time make difficult the easy assumption of competition. These developments effectively challenge a slavish adherence to Veblen's criticism. It cannot be denied that some economists even today assume pure competition to the exclusion of all else. But this is a decision of the theorist and not of the theory. And as any institutionalist would tell us, to project the character of the tool-user into the tool itself is pure mystery-making.

Darwinian institutionalism in recent times does not depart significantly from the questionable precepts of Veblen. It has shorn itself of Veblen's instinct psychology and "unilinear evolution," but nothing much else. It is unhappy with the orthodox theorists' continuing concern with prices and claims a theory of value that transcends the importance of price.²⁰ This

of *Social Psychology*, Vol. I, ed. Gardiner Lindzey (Cambridge, Massachusetts, Addison-Wesley Publishing Company, 1954), p. 12.

¹⁸ *Ibid.*, p. 13.

¹⁹ Oskar Lange and Fred M. Taylor, *On the Economic Theory of Socialism*, Vol. 2, ed. Benjamin E. Lippincott (Minneapolis, University of Minnesota Press, 1938) pp. 55 ff.

²⁰ See C. E. Ayres, "The Value Economy" in *Value: A Cooperative Inquiry*, ed. by Ray Lepley (New York, Columbia University Press, 1949), pp. 43 ff.

theory of value is closely akin to Veblen's categorical imperative that the "instinct of workmanship . . . is the court of final appeal in any question of economic truth." If we substitute "science" for "instinct of workmanship" in Veblen's statement, we have the present institutional position on the matter. To quote Ayres, "nothing but science is true or valuable."²¹ Thus, the test of value to the institutionalist is whether it contributes to the life process as a whole, and the orthodox economists' concern with individual wants and prices is misguided, even malicious, because it does not subject them to this test.²²

This "life process as a whole" test can lead to as understandable a proposition as "we need have no hesitation to committing ourselves to the ideal of full production."²³ But apparently it cannot mean that we should commit ourselves to the ideal of getting the things we want produced in the most efficient firms and sold at the lowest prices consistent with the maintenance of those firms, the concern of orthodox economics. At least not unless those goods have been put to the "life process as a whole" test. Thus the institutionalists imply a scientific test of the validity of human wants which they refer to as a technological theory of value. It must be remarked that they have shown a very modest hesitancy to apply the test. Perhaps this statement is a bit strong because Veblen did come pretty close to a conclusion that walking sticks are worthless.

Institutionalism today still repeats or implies the criticisms of orthodoxy made by Veblen: the theory is static;²⁴ hedonism is bankrupt;²⁵ the theory is teleological.²⁶ To take these up again is needless, but some new criticisms deserve examination.

In recent times, Professor Ayres has been busily denying the whole idea of a market-guided economy. In his words "It simply is not true that scarce resources are allocated among alternative uses by the market,"²⁷ and "it is not true that prices responding to the forces of supply and demand is the organizing instrumentality of the economy."²⁸ This leaves us totally unprepared when he tells us with a straight face that "No profit-seeking business-

²¹ *Ibid.*, p. 419, also pp. 38-39.

²² C. E. Ayres, *The Divine Right of Capital* (Boston, Houghton Mifflin Company, 1946), pp. 183-185.

²³ *Ibid.*, p. 187.

²⁴ Ayres, *The Theory of Economic Progress*, p. 103.

²⁵ Ayres, *The Industrial Economy*, p. 334.

²⁶ Ayres, *The Theory of Economic Progress*, pp. 62-63.

²⁷ From unpublished copy of proceedings and discussion of K. E. Boulding's paper *A New Look at Institutionalism*, 1956 meeting of American Economic Association, p. 24.

²⁸ Ayres, *The Industrial Economy*, p. 348.

man can escape the guidance of the market,"²⁹ that "... the rate of investment is determined by the prospect of sales,"³⁰ and that "both rising and falling prices do have a certain momentum of their own."³¹

These last familiar phrases have a strong ring of orthodoxy about them. To Ayres they must mean about the same thing that the orthodox economists' talk about a market-guided economy means to them. But for their institutional user, who cannot abide the latter idea, they have been "ceremonially cleansed" by their use in employment theory. Whatever the use, the statements can mean no more in the one context than they do in the other.

It turns out that all Professor Ayres means when he denies the idea of a market-guided economy is that "the order which the market exhibits is derived from the organizational patterns of the economy and is an expression of such order as actually obtains in the economy."³² This is so precisely what orthodox economists mean when they talk of a market-guided economy that the difference here must be purely semantic. Economic orthodoxy searches for the organizational patterns of the economy in such things as the market structure, the willingness of individuals to buy, and the willingness or unwillingness of others to sell, to mention only a few. It finds the results reflected in the market. The results indicate the degree to which the economy is achieving its purposes, the satisfaction of human wants. Orthodoxy does not go behind these wants for the reason that it pretends to no omniscient ability to decide what should be wanted.

In the realm of scientific inquiry no door is permanently shut. If institutional economists have a key to the question of what man *should* want, they should get on with the job of demonstrating their superior knowledge. It must have been far easier to prove the world round by sailing around it than to have done so by simply denying the beliefs of those who held it to be flat.

In market analysis, orthodox theory makes use of an abstract concept of equilibrium, which means no more than the results to which a given set of economic patterns tend. No orthodox economist could possibly see anything good or bad in equilibrium per se. A particular equilibrium must be judged on its own merits with reference to its economic effects. Nevertheless, Ayres professes to see something diabolic in the orthodox concept of equilibrium. He even tells us that since equilibrium results whether there are many sellers or few "a feeling has generally developed among the present genera-

²⁹ *Ibid.*, p. 153.

³⁰ *Ibid.*

³¹ *Ibid.*, p. 145.

³² *Ibid.*, p. 349.

tion of neoclassical economists that monopoly is less troublesome than used to be supposed."²³

It would not be amiss to call for some opaque facts to back up this opinion from Professor Ayres. A search of the texts used today will reveal no such general "domestication of monopoly." It may be true that an occasional economist feels that monopoly is "less troublesome than used to be supposed," but that again is an opinion of the economist and not a conclusion of the theory.

In summary, let it be said that there are good grounds for concluding that institutional economics has not established the validity of its categorical imperative; rather it has simply taken it on faith. Further, it is suggested that among current institutional criticisms of orthodox theory, some are irrelevant, some are antiquated, some are misapprehensions, and some are highly debatable on the evidence. The continued unquestioning acceptance of these criticisms by institutionalists is of the nature of folklore—a body of truth verified by repetition and sanctified by faith.

Nothing that has been said here is meant to deny that Veblenian institutionalism has made a genuine contribution to economics. To do so would be to deny that economic behavior proceeds in institutional patterns or to affirm that a particular institutional pattern could be valid for all time to come. The impact of historical evidences causes one to shudder at the very thought. This being the case, an understanding of institutional processes is imperative for even a partial understanding of economic behavior. Few economic thinkers have evidenced the grasp of these processes and their significance for the development of western economics as have Veblen and Ayres.

Why then has their product not been more widely absorbed into the field of economic thought? Is it not because it has been consistently marketed with a gloss of superficial criticism—tribal superstitions—that repel conscientious thinkers who have proceeded along more orthodox lines?

²³ *Ibid.*, p. 386.

Intercultural Library

Villa Jones, intercultural house operated by Robert Cuba Jones at Chilpancingo 23, Mexico, D.F., has been recognized for its Devere Allen Memorial Library in a report on libraries in that city by Mexico City College.

Materials in English and Spanish are made available to participants in the weekly tertulias and to persons visiting the city. Some material is sold, other is given away. More than 12,000 items were distributed through this activity during the last year, Sr. Jones reports.

Clarence E. Ayres and a Larger Economic Theory

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OUR DAY CALLS FOR THE DEVELOPMENT of a larger economics which would illuminate the lasting themes running through economic behavior in all its social forms and institutional settings. The emergence of new modes of economic organization in Eastern countries has compelled us to look for the underlying bases of comparative systems. The same concern for an underlying common process at work in economic growth is fostered by recent attention given underdeveloped areas. There is in general a new interest in basic themes or "functions" which run through all models of economic organization. There is a new recognition of the limited applicability of price theory for even that segment of economic behavior—decisions of profit-making firms operating in open input and product markets—which the theory is supposed to elucidate. The theory of value is falling from its once high office of generalized economic theory to the lowly status of an "apparatus of the mind, a technique of thinking," as Keynes characterized it in 1922. In this growing ferment of thought economists of the received tradition have had to learn to think in more expansive terms to allow for historical specification, for human relations, for political feasibilities, and for social organization. I feel that most economists have a long way to go before they will have taken the full measure of the current doctrinal need.

It is equally true that economists reared in traditional forms of nonconventional economics must also be prepared to modify their analysis and expand their frame of thought if they are to take the full measure of current doctrinal need. Nonconventional economists reject conventional economic theory as partial or historically conditioned truth or as pure ideology. Economists of the Marxist persuasion—in the Soviet Union and outside—find it very difficult to modify their analysis in any essential respect. Soviet economic thought has been particularly conservative even when their practice has been more flexible. Thus, though in Soviet economic treatises the category of profits is still regarded as inherently "capitalist," their payment and salary systems unashamedly talk of commercial profitability as a maxim of

management and develop incentive schemes for disposing of earned profits. The antics of Soviet economists with regard to handling of problems of interest-rate factors in national investment planning and analysis are most revealing. The problems involved in modifying Marxist economics to fit Soviet practice and its theoretical needs provide their own commentary on the conservatism of radical, as it also on occasion has indicated the radicalism of conservative, thought.

This dialectic interplay between radical and conservative impulses in thought and action applies to the other main category of nonconventional economic theory, *Veblenism*. It is ironic that even the thought of this advocate of Darwinian development and selective adaptation has become vested. But Veblen even more than Marx—who recognized the service of price dealings in the capitalist economy—would have no truck with any form of price behavior as an ordering or regulating agency of rational economic action. Veblen thus as much or more than Marx was prepared to write off received economic price theory as pure ideology (cultural creed) or at best an exercise in taxonomic semantics. Veblen is, of course, no longer with us; but his animus and doctrines in these respects are well embodied in the work of Clarence E. Ayres. Ayres denies the validity with Veblen of price theory, condemned moreover as pre-Darwinian, and adds to it an insistent emphasis on the disutility of thrift and innovation as agencies for economic progress.

I should like in this paper to scrutinize critically the main tenets of the Ayresian critique of capitalism and of price theory so as to indicate the positions that need to be relaxed if we are both to do justice to the phenomenon of capitalism itself and—what is more important—to develop a frame of larger analysis adequate for the needs of our day.

We shall first examine Ayres's theory of property as an institution under capitalism, then capitalist progress (thrift, innovation, and investment outlets), and finally price theory and its pre-Darwinian character.¹

Property

Let us start with the institution of property, the principle of which Ayres traces to feudalism. Property, it appears, "has projected the feudal power into the modern world." As such it "incorporates some of the basic features of the feudal institutional complex." It combines "class status, birthright

¹ Because of the numerous references to Ayres's work, his books will be referred to in parentheses in the text of the paper with the following abbreviations: *IE* for *The Industrial Economy* (Boston, Houghton Mifflin Co., 1952); *TP* for *The Theory of Economic Progress* (Chapel Hill, University of North Carolina Press, 1944); *PEO* for *The Problem of Economic Order* (New York, Farrar & Rinehart, Inc., 1938).

and franchise." In fact bourgeois property is the feudal fief "modified in only two respects . . . disposability and . . . applicability to . . . goods and chattels . . . [and] land" (*IE*, 104). Our "feelings of property" are also "feudal." "Now and then we hear of a farm that has been worked by father and son for three or four generations . . . Do we greet such a display of the feudal principles of birthright with scorn and indignation?" (*IE*, 98). So also is the principle of exclusion feudal since it "in effect extends to the property owner the same sort of jurisdiction over the industrial community which the feudal lord enjoyed" (*PEO*, 25). Hence what the institution of property meant in the early days of the new order was that "the new bourgeoisie spread the mantle of feudalism over their concerns and even their whole position in society" (*IE*, 105). In some contexts he actually speaks of "capitalism" as a "form of feudalism" though usually he more cautiously refers to it as a "derivative" of the "feudal power system," or as its "residue," its "substance," and, as often, its "origin" (*TP*, 40, 193, 197). His meaning is rendered for most of his contexts if we stated that modern property, though incorporating "organizational devices of a unique degree of flexibility" is an institution which is "feudal in origin and in character" (*IE*, 101, 107). Since the feudal is the archetype of what is opposed to the genius of modern life and aspiration, the tag placed on property is a deadly one.

How justified is the feudal tag on modern property? Very little justified indeed. The principle of exclusive use characteristic of modern property is not feudal, but the common characteristic of all forms of property: public and private, ancient, feudal and modern, collective, communal, or what you will. A thing is an object of property and as such is subject to appropriation only when the prerogative of exclusive use is assigned to a determinate party or group. So also with birthright. All societies which regulate appropriation must provide fixed rules by which the property rights of the deceased, not reverting to the collectivity, will be passed on to the living. In all advanced societies these rules contemplate, where they do not prescribe, special provision for survivors' next of kin. This provision obviously grows out of the obligations of parentage and of the solidary bonds which commonly prevail within the family or kinship group in which the family is submerged. The favoring of birthright in providing for property succession is nearly universal in human society. The only variation is found in the breadth of kinship ties recognized as sharing by "birthright," the pattern of sharing, and the role of testamentary freedom.

Provision for exclusive use and for succession upon death make up the core of the institution of property. But there is much more to it. Not all things can be objects of property in all circumstances; rights of use must at

times be shared with others; not all uses are permitted; disposition and alienation are regulated; and various obligations will oftentimes be involved. As Veblen noted, the first objects of private property were war booty, captured women, and domesticated animals. The entire complex of rules and usages by which the members of a society define their mutual rights, obligations, immunities, and claims on each other with respect to movable goods, the performance of service, or the use of our planetary habitat make up the institution of property. These rules and usage must, as John R. Commons has emphasized, be administered by agencies which can adjudicate controversies or modify the rules to accord with changed conditions or dispositions. In the nature of the case these agencies make up the core of government and the rules and usages which they administer are the heart of the law. The law will in turn reflect and tie in with a people's sense of justice and their code of values and beliefs; and the process of making and administering law is necessarily solemn and complex. The law is hence slow to change and with it the institution of property. But though it changes slowly, it changes surely in Western society. Thus it is that almost all of the specifically feudal principles and forms of property—primogeniture, association of ownership with fealty roles, overlordship with reversionary practices, restricted rights of alienation, confinement of property in claims and promises—have long since been abandoned. A new structure of property has evolved as specifically feudal conditions were outgrown. All that modern property now has in common with feudal property is a treatment of certain basic themes and problems in common terms. If this means that modern property is "feudal in origin and in character" then it is equally true—and as illuminating—that since man has functions and organs in common with the ape he is nothing but an ape "in origin and in character."

If property is not specifically "feudal" neither is it essentially "ceremonial." By the ceremonial Ayres means pertaining to the exercise of authority by means of rank or ranking in hierarchy, which is rationalized in terms of competence and function through mores and custom and is psychologically buttressed through performance of some ritual or rite. Ayres defines institutions in these terms (*TP*, 155–202; *IE*, 41–50) and applies this definition to property. Hence with Ayres the registration of "deeds" and "contracts" is the "social mechanism by which distinctions of status are ceremonially established in modern society"; "an owner is not distinguished by intelligence, executive skill or social conscience but by legal investiture" (*TP*, 161). The institution of property "is still a matter of ceremonially determined rights the sanction of which derives from the legendary past" (*TP*, 202).

As we have seen property is constituted through law and is administered

and modified by government. Obviously, a role for ceremony and formalism exists in proceedings of this character. Certainly ceremony and formalism are necessary where so many interests and purposes must be reconciled in a frame that must be as broad as society itself. This frame is the repository of the past and the seedbed of the future and must accommodate itself to class interest and practical concerns and be responsive to man's aspirations and his abiding sense of justice. This is the origin for the ceremonial imprint and formalism which Ayres finds on all social institutions including property. This formalism is simply the measure of the social roots of the institution, of its intertwinings in social structure, of the real function which it serves.

Economic Progress

The steady improvement in the productive powers of labor under capitalism was regarded by Smith as the result of a nearly universal tendency for producers operating in free markets to improve the technique of production or distribution. Even Marx seemed to find a widespread tendency toward technological advance; and not until Schumpeter published in 1911 was there a suggestion that the capacity to innovate was limited among businessmen. But Ayres regards this capacity as nonexistent or, what is the same thing, as nonoperational. Technological improvements in his version come independently of innovators by a process which shapes the innovators and the innovation in its own mold. In this very reassuring approach each innovation embodies a "combination of previously existing devices and materials, laboratory instruments and techniques" (TP, 113). The coexistence of these devices and materials "constitutes a possibility of combination which transcends the acts of any individual"; and as "combinations are bound to occur" and in part are instituted by chance or by rank amateurs, the greater the number of tools and devices, "the greater is the number of potential combinations"; hence there results an "accelerating process" (TP, 119). Technology is thus "inherently developmental" or "progressive" in a way that does not depend upon the "skill faculty of the human individual but on the character of the tools" (TP, 111). "The devices themselves play an essential part in the process" (IE, 65). These hosannas to a technological self-movement de-emphasize the role of that small elite of inventors, craftsmen, mechanics, and industrialists who labored with a vision of technical progress and risked their time and resources in giving that vision practical realization. The work of the innovator looks easy only in retrospect. In prospect it was and is, as Schumpeter has emphasized, full of hazards, difficult to undertake, and oftentimes languishing for lack of proper support. Also, Ayres's analysis completely overlooks the work of inducements or in-

centives to improvement, particularly on working levels and where capital investment is involved.

The Ayresian condemnation of the innovator as an active agency in the process of economic progress is coupled with his condemnation of thrift. Ayres believes there is no greater fallacy than the idea that money savings are a "creative agency" in forming productive wealth. He urges that in accepting this fallacy we have "dignified acquisitiveness as the supreme creative agency of industrial society" (*TP*, 199). No other idea "epitomizes commercialism more completely" (*TP*, 39). This is the "myth of capital" which postulates the "creative potency of funds" (*TP*, 56; *IE*, 110-120). But "it is money which is saved, not the physical equipment of industry"; "no one secretes steel rails by going without lunch" (*TP*, 49); commerce does not come "before" industry (*IE*, 88 f.).

Obviously, if producers decide to work up some of their own product in equipment or structures no money need be transferred and "funds accumulation" would not be "indispensable" to the "industrial process" (*TP*, 53). Some of our wealth resulted directly from such simple decisions to invest time and effort and resources in accumulation. In such cases the "saving" of income is implicit or incarnate in the product accumulated. But in an industrialized society only a small fraction of its wealth can be accumulated in this fashion. Generally the producers of wealth are specialized in this vocation and must be paid for their product and work. From where then was the finance thus required by the process of industrialization to come? With artlessness Ayres would reply that government or banks could finance—or could have financed—investment by credit-creation or simply by "printing more currency." The property accumulated could serve as the collateral for the loans with which they would be financed (*IE*, 117, 247; *TP*, 277). Money as gold and silver, Ayres believes, could be mined and minted to excess and thus could induce inflation on an appreciable scale (*IE*, 233 ff.). But Ayres conveniently feels that conventionalized money such as paper currency and bank book credit, which can be written into existence on any scale without assignable limit, cannot be issued to excess—on the scale needed to induce a troublesome inflation—if the governments involved remain strong and do not "go crazy." "It is not how much money is issued but how it is issued that is important" (*IE*, 235-243), or how soundly it is collateralized.

With the merits of this doctrine we can be brief indeed. Obviously some accumulation of wealth, particularly in the form of circulating capital (held by producers, dealers, or households in inventories) and in the form of mortgageable structures, has been financed by bank credit expansion. A little more could have been financed this way if government had not used up some of our funds-potential in fighting wars or in piling up a large gold and silver

hoard. But watch carefully the order of magnitudes involved. During the past century we have accumulated in present-day values over a trillion dollars of wealth net outstanding while our current money supply is less than a seventh of that figure. This money supply has been large enough to induce a gradual lift in the general scale of money values. Obviously, any endeavor to have financed any of the remaining six-sevenths by further credit expansion or currency-printing would simply have dissipated itself in open inflation. Long ago we would have crossed Joan Robinson's inflation barrier. With this order of magnitudes there was no way the larger part of our stock of wealth could have been accumulated under orderly conditions and while preserving a reasonably stable money except through voluntary decisions by income-disposers to save and invest part of their disposable incomes. Parsimony is not yet obsolete.

But is parsimony—or thrift—a *sufficient* or only a *necessary* condition of economic progress? All we have learned since the Keynesian dispensation is that the inducement to invest is an equally independent condition. This inducement undergoes its own fluctuations and may or may not match the propensity to thrift. Even in the 1830's economists like Torrens and Wakefield were concerned about the field for investment. Keynes thought that the tendency for thrift to overrun investment outlets was endemic but was somehow offset in the nineteenth century and had only come to plague us later in the twentieth century. Ayres argues in a somewhat more pessimistic vein that the tendency to thrift inherent in capitalism is warped by a "fatal defect," a "chronic trouble" (*TP*, 288; *IE*, 201), a continuous tendency to overrun investment outlets.

Opinion on investment outlets in the theory of capitalism has long been divided. Very eccentric views can be held in good company. Curiously, fears with respect to shortage of investment outlets or oversaving were voiced not only at the tail end but at the very beginning of the industrial revolution. The illusion that the economy was "matured" and needed no further capital growth has prevailed for a long time. Yet no less an incongruous advocate than Lenin argued in 1898 that in Russia capitalist investment was possible and necessary for a sustained future period.

In any case, no logical grounds exist for holding that the uninvestable surplus was exported abroad or, even better, that out of inability to maintain an export of capital, wars and imperialist antagonisms developed (see *PEO*, 87; *IE*, 171-175). It cannot be our purpose here to evaluate this hypothesis in its many claims. There is a rich literature on imperialism, on wars, on economic instability, on international finance, and politics which would have to be utilized in any careful evaluation that attempts to do justice to the issues involved. Obviously a certain basis exists for this position

and events and incidents have occurred which give plausibility to it. It is possible by adept quotation from leading authorities to compile an account which could be turned by adroit editing into a reasonable facsimile of the thesis which Ayres adopts. But no serious scholar who is aware of the basic facts of the historical setting in which the economic development of the nineteenth century occurred, and who has studied the histories of international politics out of which modern wars have emerged, can accept this thesis. Capital export is needed and has played a vital role in the economic development of backward countries, foremost among them being pre-1914 America. Wars broke out in a setting of many causal elements curiously entangled. Trade is not only a search for "markets" but for customers, and customers could buy only if they had something to sell. It was the interconnections between peoples arising out of reciprocal trade and capital export, conducted and built up by merchants and businessmen, which laid the basis for the modern-world community. May it be respectfully suggested that there is a mythologizing tendency in radical as well as in conservative economics? And purging should be impartially applied.

Price Theory as Pre-Darwinian

Having sought to demolish the innovator, to disenthroned thrift, and to incapacitate the process of industrial investment, Ayres is equally condemnatory with regard to economic theory which he regards as pre-Darwinian. Economic analysis, he contends, is derived from ideas which are of "pre-Darwinian" vintage and which are "completely at variance with new conceptions which have won universal acceptance." We are dealing, he exclaims, with an antediluvian "holdover," with an "orthodoxy" which was already enshrined in "great literary classics" even before Darwin wrote. This is the theme of an indictment which runs throughout his writings (*IE*, 4-21; *TP*, 3-22).

We concede that the essential core of analysis held in various forms by this discipline to explain the working of a business economy was already worked out by the first half of the nineteenth century and that its germinal ideas were developed by the seventeenth- and eighteenth-century philosophers of liberalism. Let us, however, look at this Darwinian impact a bit to see what role as such it would play in the social sciences. Strictly speaking, Darwinism denotes the analysis of a development of an evolving series of forms of life, culminating in man. In man the capacity of mind was raised to a higher level making possible a new kind of cultural evolution. On the other hand, man with his mind capable of cultural growth was only the latest evolved form of the kingdom of life of which he was a member, upon

which he depended for sustenance, whose heritage he embodied, and to whose laws and tendencies he was subject.

If the liberal philosophy is reviewed in terms of this two-sided Darwinian import, it is clear that this philosophy was rooted in a conception of human nature and culture consistent with Darwinism, readily accommodated to it, and which to a certain extent even anticipated its major findings.

Just when in human thought the full implications of man's cultural life were first sensed is perhaps hard to indicate. But surely the first organized effort to work out a conception of human nature and of the nature of mind in cultural terms belongs fully and completely to the pioneers of the liberal philosophy, particularly to John Locke. For it was the genius of this great thinker, whom Ayres accuses of a "mechanical" conception of human nature (*IE*, 7), to have appreciated the basic fact that human personality and its principles and beliefs are not "innate" and inscribed on the mind of man at birth but are evolved through experience and are acquired by learning. And this was not uttered as a chance remark but was laid down as the fundamental thesis of a great work whose ideas in these respects were taken over in the later development of liberal thought and were incorporated into its working premises. In developing his thesis Locke showed awareness of its revolutionary implications and utilized as proof the actual facts of child-rearing and the then available findings of anthropological observation on other cultures and communities.² It was because of this deep-seated belief in the experiential origin of mind that the liberal philosophy developed such a strong faith in the equality of man, a faith which is nowhere evinced more clearly than in the doctrines of Locke, Rousseau, and Adam Smith, and their belief in the potency of education, virtually founded as a discipline by Locke and Rousseau, and in the wide prospects for improving the state of man if only his culture (public opinion, laws, and education) could be modified.

Indeed the liberal philosophy tended continually to run off on utopian tangents because of this fixed belief in human equality and in the potency of culture and education over man's social state. This inclination would become released if the cultural premise of liberal thought—that in man as the *highest* evolved form of life the development of mind had permitted continued evolution to occur chiefly in cultural and not in biological terms—were not countered or inhibited by the development of the other side of the

² John Locke, *An Essay Concerning Human Understanding*, reprinted in the *Philosophical Works of John Locke*, ed. J. A. St. John, 2 vols. (London, George Bell & Sons, Ltd., 1916). On his deep concern for the role of education and culture (or "custom" and "prejudice") in fixing ideas and standards, see Vol. 1, pp. 30 ff., 43 ff., the whole of Book I with its two central chapters "No Innate Principles in the Mind" and "No Innate Practical Principles," and particularly pp. 162 ff. and 183 ff.

Darwinian doctrine, namely, that man is only an evolved form of *animal* life, whose heritage he embodies and to whose laws and tendencies he is also subject. Fortunately, however, liberal thought went a long way to spell out the principal characteristics of those inborn and ingrained capacities and tendencies of human nature with which culture had to work and within whose flexible limits social arrangements had to be fitted. What else was Hobbes's envisionment of a community devoid of social organization in which life was "poor, solitary, nasty, brutish and short" but a special way of characterizing the mode of life of a human community at its point of emergence from the animal level? And when Locke, in his own classical way, traced property in part to the impulse to appropriate that with which one has mixed his labor, what else did he do but delineate what John Dewey characterized as an "original tendency to assimilate objects and events to the self . . . [which] gets solidity and form through an appropriation of things."³ And however "versatile" this impulse to "possessive activity," as Dewey termed it, may be, the early theorists of liberalism were not so near-sighted in feeling that this impulse was most easily and most usefully gratified in those tangible goods which must be wrought by our hands or be acquired only with effort.

Having elucidated the nature and effects of the impulse to "possessive activity," the liberal philosophers went on to develop those characteristics of human nature which bridled or organized this impulse. Here the chief contribution was made by one of the architects of formal economic theory, Adam Smith. He simply pointed out that there was ingrained in the members of any stable society enduring over the generations an instinctive disposition to sympathy or toward sentimental identification. He argued that this disposition—which is probably biologically rooted, as Briffault has argued, in the prolonged helplessness of the human infant and the extended role of mother-care in the nascent human community—makes morality possible and enables the members of a society, while fully individualized as personalities, to be so closely drawn together by emotional ties and identifications that an organized social order can emerge. Moreover, by turning this tendency toward sympathetic identification in a very interesting way, Smith explored the psychological roots of that propensity to emulative rivalry and invidious distinction which Veblen was to make famous a century and a half later.⁴

But pre-Darwinian liberal thought went even further in specifying the

³ *Human Nature and Conduct* (Mod. Lib. ed., New York, Modern Library, Inc., 1930), p. 116.

⁴ See Adam Smith, *The Theory of Moral Sentiments* (London, George Bell & Sons, 1880). See, on Smith, *TP*, pp. 72 ff.; A. Salomon, "Adam Smith as Sociologist," *Social Research*, Vol. XII (February, 1945), pp. 22-42.

central characteristics of the human nature which constrain and condition social organization. Pre-Darwinian liberal thought wrestled with the problem of power in organized human society and the effect of power on the persons or elites and classes who were its custodians and its executors. It noted that frequently an individual who was given a power-role constituted to fill some community need tended to become corrupt and, instead of ministering to the community need, he perverted the role to serve his, or his successors', own personal interests. This tendency was found widely distributed in social, political, and economic affairs. Elites set up as functional bodies became vested interests; and there were capacities of the human mind, which perhaps Bentham explored most thoroughly, for rationalizing the most narrow class interests as components in the formula of the general welfare. Hence liberal thought placed great emphasis on so structuring political and economic organization that power-roles were widely dispersed and checkmated against each other, easy of access to persons of enterprise and initiative, and thus only moderately capable of sustained abuse.

But the Enlightenment went even further in specifying the nature of the human material with which culture had to work in shaping social organization. This time the honor falls on another of our greatest economists, Thomas R. Malthus. He brought to light those tendencies of human behavior which are most deeply rooted in our animal heritage and by virtue of which the imperatives of animal life were given effect in the human world. Malthus expressed these tendencies as a fundamental law that life is imbued with an urge to reproduction so potent that any given form of life would tend to expand up to the limits of its food supply in any livable habitat. This at once establishes the continuity which truly subsists between mankind and his animal forbears; it exhibits the continuity between man's work deliberately organized to achieve self-support and the more instinctively driven behavior by which life is sustained and carried on in the animal world; it links man with his animal forbears in that realm of conduct in which our animal heritage is most compelling and impresses itself upon our culture and social organization most imperatively, namely, the sexual impulse and the parental bent; and it strongly brings out man's primary want, food; his basic occupation, agriculture; and his basic resource, fertile land.

Moreover, it is to the great credit of Malthus that he not only spelled out these biological tendencies of human life in all their imperativeness and illustrated their effects in a searching empirical survey of preliterate and literate peoples. He also brought out the way in which these tendencies were turned as they worked their way in a specifically human milieu. For Malthus took note of the fact that by various forms of prudential restraint—operating as a naked psychological force or as an institutionalized domestic

custom related to marriage and conduct in marriage—it was possible for mankind to transcend these biological tendencies or to hem them in so as to make it possible to lift up productive powers and scales of living. Of course Malthus was not able to appreciate how far the urge to prudential restraint could be carried and institutionalized in contemporary Western life. Likewise, he was not able to perceive that limiting factors other than food would become operative in a predominantly mineral civilization dependent upon fossil or nuclear fuels for energy.

We thus see that liberal philosophy assimilated the main implications of the Darwinian idea and elucidated the fundamental problems of a culturally-shaped human nature—property and power, food-growing and population—with a largeness of view and a sureness of thought which give the master writings of that period classical form. So much had economic analysis in this classical form assimilated the implications of man's biological heritage that the very ideas of Darwinism were themselves suggested to Darwin by reading economics. And Darwin's own key concepts could be regarded, as Keynes once argued, "a vast generalization of the Ricardian Economics."⁵

But the irony of the situation has yet further to go. For Ayres has accused economics of being "pre-Darwinian" because of its stereotyped and non-Darwinian conception of human nature. And it is just in these respects that Ayresian thought is most suspect. His thought takes off on the Utopian tangent made possible by Locke's cultural derivation of human nature through education and experience. His fixed principle is that there is no "such thing as the original nature of man" (*IE*, 332). Human nature is purely and wholly a cultural product. This work of culture in shaping human nature is uninhibited by those urgings and tendencies welling up from the ego, which classical liberal philosophy analyzed under the headings of property, power, sympathy, and population. Moreover, culture itself is not something shaped out of and renewed by human aspiration but is a "unique phenomenon . . . self-explaining and self-perpetuating" (*TP*, 95 ff.). Every cultural phenomenon "is derived from some other cultural phenomenon and can only be explained in terms of other cultural phenomenon" (*TP*, 96). He insists that "the problem of understanding any social structure or any cultural phenomenon is a matter of understanding its relation to other such structures and to the whole structure of society, the functions it performs in the culture of which it is a part and their relations to the rest of the culture" (*IE*, 41). As Ayres himself emphasizes, "this is a universe of discourse to which the concept 'individual' is simply irrelevant" (*IE*). Likewise, concern with motivations and motives is somewhat truculently ruled out as a "holdover" of

⁵ J. M. Keynes, *The End of Laissez-Faire* (London, L. & V. Woolf, 1926).

concern with "mind-stuff," objectionable not so much for its "fatuousness" but for its "subjectivity" (*TP*, 73, 95). In this aggressive kind of cultural behaviorism Ayres now finds it convenient to claim the nonexistent authority of "all the students of the social sciences" (*IE*, 14). But in a franker statement of the thirties Ayres conceded that this view cut across "psychological orthodoxy in all its forms" in the same way that it cut across economic orthodoxy.⁶ Obviously Ayres sees no merit in a psychology which concerns itself with exploring the physiological basis of behavior and its innate drives and urges, and with the mechanisms, processes, and potentials of personality in terms other than the plastic field of culture.

Ayres inherited tendencies to a sweeping kind of cultural monism from Veblen and a behaviorist bias from Dewey. But both these great figures in their own way laid considerable stress on innate tendencies or propensities in human nature—very aggressively and one-sidedly by Veblen with his too readily invoked "bents," "propensities," "instincts," and "ethnic selectivities"—and more flexibly and subtly by Dewey who invoked an underground world of surging impulse or "components of human nature" by which behavior was conditioned, with which it was charged, and which was continually seeking for new expression and release.⁷ In contrast Ayres wiped the slate clean and gave a free hand to culture, in its work of molding personality in its own spirit and on its own terms.

In thus wiping the slate-of-personality clean, Ayres took to himself that essentially theological view of human nature, as a uniquely created substance, which he charged against classical liberal philosophy (*IE*, 7; *TP*, 71) working toward "complete enlightenment and efficiency wholly devoid of mystic potencies" (*TP*, 245). This view of human nature, which is in sharp contrast to all Darwinian thought, is attributed by Ayres to classical liberal philosophy, which was actually soaked in Darwinism and had a nonmonistic and nonutopian conception of human nature and of social process.

⁶"Fifty Years' Developments in Ideas of Human Nature and Motivation," *American Economic Review Supplement*, Vol. XXVI (1936), pp. 224-236.

⁷ See Dewey, *op. cit.*, Pt. II, "The Place of Impulse in Conduct"; Dewey, *Freedom and Culture* (New York, G. P. Putnam's Sons, 1939), Chaps. II, IV, V.

Institutionalism and Economic Development

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The Dynamism of the Economic Process

FOR MANY YEARS it has seemed to me that the most significant distinguishing mark of the institutionalist way of thinking is its emphasis upon the dynamism of technology. This point has not escaped its critics. As far back as 1935 Frank H. Knight, a discerning though hostile critic, remarked that Veblen and his followers seem to think that technology embodies some "inscrutable" force that impels it forward, and with it the whole economy.¹ Except for the implications of the word "inscrutable," this is indeed the case. As I shall try again to show in the pages that follow, there is nothing inscrutable about it, and its importance for an understanding of the process of economic development can scarcely be overemphasized.

This idea came to Veblen from the then infant science of anthropology. During his fallow years when, following completion of a Ph.D. in philosophy, he was unable to obtain an academic appointment, he retired to the family farm and for seven years read voraciously and widely. At that time a unilinear theory of social evolution permeated the studies of the great pioneers in this field, just as the science of psychology, then in its adolescence, was likewise committed to the concept of instinct. Consequently Veblen described "workmanship," and the closely related "parental bent" and "idle curiosity," as instincts, and represented them as having been dominant in an idyllic state of primitive "savagery" (reminiscent of Rousseau as well as Lewis Morgan) but later "contaminated" by instincts of pugnacity and exploit in a period of "barbarism," the effects of which had persisted down to the present.

Most scholars have found it impossible to dissociate Veblen's conception of technology as a dynamic factor in economic development from the now obsolete rubrics in terms of which he couched it, and so have dismissed the

¹ "Intellectual Confusion on Morals and Economics," *International Journal of Ethics*, Vol. XLV, No. 2, p. 208.

whole idea as no less preposterous than the primitive utopia of savagery. But in so doing they have thrown out a thriving infant with his dirty bath water. As regards whole cultures it is now well established that there is no single series of "stages" through which all have passed in regular succession. In particular is this true of kinship systems and other social structures, as well as of taboos, ceremonial rites, and tribal legends and beliefs, none of which seem to have evolved through any sort of regular succession. Nevertheless, the arts and crafts of all peoples do seem always to have developed in the same direction, from simpler and cruder tools and operations to finer, more complex, and more effective ones. This is true of human experience as a whole, and of the experience of any given culture area. Not all peoples have developed the same devices. Thus it is well known that the pre-Columbian cultures of the Western Hemisphere reached very high levels of science and technology without producing any wheeled vehicles. But what is meant by "higher" and "lower" levels of technology is perfectly clear to all scholars, and archeological excavations in all parts of the world demonstrate that simpler and cruder tools, weapons, dwellings, and the rest are invariably earlier in time, the finer and more complicated operations invariably later.

Why is this? Owing no doubt to his commitment to instinct psychology, Veblen contributed very little to answering this question. But others have been much more helpful. In particular, the instrumental logic of John Dewey is of vital significance. In recent years Dewey has been the object of much contumelious criticism, most of it undeserved and none of it directed at his major contributions. Certainly his instrumental logic remains far above the field of battle, unclouded by the dust of educational controversy.

The basic principle of this analysis of the thinking process is that "thinking" and "doing" are indissociable. Thinking is not something that goes on "in the head," independently of all the other things that people do. It is always involved with doing. To use another word which has found wide favor, it is always "operational." Since the sciences are by definition the clearest and most successful manifestation of operational thinking, Dewey used the word "instrumental" to underscore the function of instruments in the process of scientific investigation.

Being inveterate romanticists, we like to think of scientific discoveries and the formulation of scientific "laws" as manifestations of pure, intuitive, intellectual "genius," to which all the apparatus of the laboratory plays only an incidental part—provides the setting, as it were. But in fact it is all done with instruments. Even the "purest" of the sciences, mathematics, is just as operational as any other. What mathematicians do is done with symbols, formulas, equations, and the like and could be done in no other way. The mathematicians manipulate their formulas just as physicists manipulate their

bevatrons. To recognize this is not to depreciate the genius of master manipulators. Their manipulations constitute the highest pinnacle of human ingenuity. But they are not generically different from what anybody else ever does. On the contrary, they are just what everybody does carried to the highest level of refinement. That is why they are significant.

The instrumental principle has two corollaries of the greatest importance for an understanding of the developmental process. One follows immediately from the objective existence of the instruments and formulas of science and the tools, materials, and processes of all technology. Because these things exist and so survive their original creators, they are capable of transmission and diffusion. They are also, necessarily, capable of co-existence. Students of the history of science are continually pointing out to us the fashion in which discoveries have been made by the ingenious combination of previously existing, but previously uncombined, instruments and formulas; and students of the history of technology find exactly the same process underlying all inventions. Thus at the present moment a brilliant young physicist, who has discovered that electronic (radio or radar) waves are bounced back by ionized gases produced by the launching of a missile (just as they are by the ionosphere) and so give detectable warning of a very distant missile launching, is being quoted as saying that the idea occurred to him two years ago when he read a couple of publicized papers, one on the "back-scatter" phenomenon and the other on ionized gases, and realized the connection between the two. "It's so simple," he is quoted as remarking; "I don't know why someone didn't think of this before."² Obviously no one, however brilliant, ever would have done so if these two papers and the related instruments had not existed.

The other corollary is the virtual inevitability of combinations occurring once their components have been brought into existence and have been so widely distributed as to be generally juxtaposed. "Inevitable" is a tricky word. Obviously nothing is inevitable in any absolute sense, and it is equally obvious that tools, materials, instruments, and formulas (all of which can be lumped together as technical culture traits) do not combine themselves. They are of course combined by human beings, and they are of course more likely to be combined by perspicacious human beings than by stupid ones. But it is also of major significance that they are more likely to be combined to the extent that they are so distributed as to lie side by side. That is why inventions and discoveries so frequently occur simultaneously in widely separated but still substantially identical situations, and that is why scientific and technological progress is more rapid in direct proportion to the profu-

² *Time*, Vol. LXXIV, No. 7 (August 17, 1959), p. 45.

sion of technical culture traits and slower in proportion to their scarcity. Man was just as perspicacious fifty or a hundred thousand years ago as now, but he did not have quite as much to work with.

During the present century the word "progress" has been the object of general suspicion, and rightly so; for it has been outrageously misused by sentimentalists of all sorts. Who can say whether a patrilinear kinship system is better than a matrilinear one? For that matter, who can say whether the denizens of simple, so-called "primitive," cultures may not have been happier than we? Who can say whether domestic animals may not be happier than men, or wild animals happier than domestic animals? Clearly such a word as "progress" must be used with caution. Mathematicians use it so, carefully defining a progression as a series each member of which is derived from the preceding member by the same operation.

If the foregoing analysis is sound such also is the nature of a technological series. Each invention and discovery is made by exactly the same operation as brought the foregoing technical culture traits into existence. Every invention and discovery results from the combination of previously invented or discovered tools, materials, instruments, or formulas, each of which has previously been invented or discovered by the same process; and each does something that its previously existing components did not do, thereby setting up a situation in which still further inventions and discoveries are possible. In the most exact sense of the word, this is progress.

Whether the human race is "better off" by reason of scientific and technological progress is another question. What has been at issue here is only the dynamism of technology—the "inscrutable" force, as Professor Knight once called it—which institutionalists impute to the technological process. That force exists. It is a perfectly natural force, and its operation is quite simple. The key to an understanding of it is the objective existence of the tools and instruments with which man works, and the consequent amenability of all such things to combination through the medium of human ingenuity.

The Conditions of Economic Progress

Presumably the dynamism of technology is the same in all societies. But obviously technological progress has not actually been realized in all societies to the same degree or at the same rate. Hence it is a reasonable inference that some other factor has been at work, the effect of which has been to inhibit technological progress. If so, what is it?

At this point, too, Veblen gave institutionalist thinking a significant lead—one so significant, indeed, that it gave rise to the tag by which this way of thinking is generally identified. From early in his career Veblen seems to

have harbored the idea that man is somehow caught between opposing forces, one somehow "good" and the other somehow "bad." This of course is a very ancient idea, one that has appeared and reappeared in a wide variety of metaphors, such as white horses pulling one way and black horses the other, throughout the ages. Unfortunately, in this case Veblen's insight also was confused by his commitment to instinct psychology and "stage" ethnology.

Veblen's insight was still further confused by his adoption of the scientist's pose of lofty superiority to moral judgments. Even when his language was unmistakably derogatory, he insisted that no condemnation was implied, that his only concern was with the facts, and that if his language was uncomplimentary that was only because no other could truthfully be used. Was this irony or confusion? Perhaps Veblen himself never fully made up his mind. Perhaps he sincerely believed that he was not passing moral judgment, but was nevertheless so sure of the contrasting qualities of such matters as "workmanship" and "leisure class canons of taste" that he gave his extremely vigorous vocabulary full rein.

Nevertheless Veblen was right on one point, the full significance of which is only now beginning to be appreciated by those who are interested in the economic development of the so-called "backward" peoples. The superstitions, taboos, and tradition-encrusted status systems of all peoples work at cross-purposes with the technological process. They do so for two reasons. First, all the various features of this culture complex derive their sanction from the past, and are therefore highly resistant to change; and, second, their effect is to limit and circumscribe technological activities at every turn. This is true for obvious reasons. Decorum is always at odds with efficiency, just as superstition is always at odds with fact. Any status system which prescribes who shall carry on certain activities is almost certain to result in those activities not being performed by those who are most expert. This is true of "family businesses" in our own society, but very much more significant where the physical existence of the community may depend on the knowledge and skill of the functionary in question.

The present generation of anthropologists, in their eagerness to understand various primitive peoples, have disregarded this principle and so have almost unwittingly taken a position that is essentially static. They deserve full credit for having seen that, in the way of life of each people, beliefs, ceremonies, and taboos that seem quite irrational to the Western mind nevertheless serve to bind such a community together, provide them at times with a sense of dedication and at other times with no less necessary emotional relief, and generally make it possible for them to live as they do. What sympathetic students of primitive culture have underemphasized is that all

these aspects of such a culture likewise make it impossible that the people in question should live better.

Thus the over-all economic development of any people is conditioned by the interaction of the dynamism of technology and the inhibitory force of institutionalized tradition. This is no less true of the Western peoples than of any other. It is their great good fortune to have received the technological heritage of thousands of years of Mediterranean civilization, but to have been themselves recently civilized barbarians whose tribal traditions had been diluted by the superposition of what to them were alien traditions and institutions. Following this transposition they managed to detach themselves from Mediterranean control, and so were uniquely accessible to technological acculturation by a unique series of Old World culture contacts, which occurred during the ensuing centuries. The consequence of this unique situation was a technological revolution of a magnitude comparable with only two other cultural mutations, as one anthropologist has called them,³ which occurred at the dawn of the human way of life and in neolithic times with the development of agriculture and city-centered civilization.

Like all others, Western society has its traditions and its "official keepers of the code," who seek to give authenticity to their precious traditions by rooting them in the remote past. Hence the myth of legitimate descent from classical antiquity: the belief that all that is good in modern civilization is a heritage of "Hebraism and Hellenism," and that science and technology are crude and external. Like all myths, ours has a certain basis in historical fact but is nevertheless substantially false. Industrial society is in actuality the product of a vast scientific-technological revolution which was brought about no less by the permissive elasticity of our traditions than by the propulsive force of a unique series of inventions and discoveries.

The susceptibility of Western institutions to adaptation to changing circumstances is well illustrated by the institution of property, which, since it defines the procedures by which industry and commerce are administered, is therefore of strategic importance for a commercial-industrial society. Like all institutions (and the societies of which they are manifestations), property is a mixture of institutionalized traditions and operational procedures. The former of course derive from the past; and since our immediate past is medieval feudalism, we would naturally expect to find traces of feudal rights-of-status persisting even in the twentieth century. Quite obviously inheritance is such a trace. The recognition of rights-of-status as such of course goes much further back, indeed to primitive society, as is clearly evidenced by the medieval belief that such rights derive from God. But the

³ Ralph Linton, in *The Tree of Culture* (New York, Alfred A. Knoff, Inc., 1955), p. 662.

linkage of property with the medieval kinship system—its transmission, like that of social rank, by legitimate descent—is of course feudal in derivation.

Nevertheless, the modern institution of property differs from feudal fief in respects which have proved critically important for the consummation of the technological revolution. Instead of being indissolubly linked to kinship, property has become a device through which status-rights analogous to those of feudalism have become transferable. As rights, they are still "sacred." Hence a man's (commercially acquired) home, or business establishment, has become his "castle," into which even the king may not intrude except through due process of law. It is in this sense, of course, that property has been and to some extent still is a bulwark of freedom.

Moreover, having once manifested a susceptibility to modification, the institution of property continues to evolve. In response to the growth of commercial-industrial enterprises in both magnitude and complexity, property has become a fractional share of an undifferentiated mass of assets. The germ of feudal indefeasibility still persists. But it takes such a wide variety of forms which in turn define the procedures of administration in so many different ways that competent scholars now declare that as an institution property itself has now been superseded by the corporation.⁴ Nevertheless, corporate securities are still inheritable. Thus the roots of ancient rights-of-status still underlie the vast operational mechanism of modern business organization.

In short, economic progress is still conditioned, as it has always been, not only by the dynamism of technology but also by the degree of flexibility or of obduracy of institutionalized tradition. One of the most obdurate of traditions is that of nationalism. Like all others, political systems are mixtures of irrational traditions and operational procedures, and like property these systems have undergone vast changes. Local counts have given way to regional kings, and regional kings have given way to continental nations. Are nations now in process of giving way to world organization in which operational procedures will at last supplant what Veblen called "the sense of partisan solidarity"?⁵ Obviously that is something that still remains to be seen. When the spokesman of Asian or African peoples tell us that they propose to enjoy the benefits of an industrial economy but do not propose to relinquish their ancient traditions, we try to tell them as gently as we can that what they propose is impossible. But it is no less impossible that industrial economies should persist through a regime of nuclear warfare. Clearly the sentiment which inspired the celebrated protestation, "My Country: may she

⁴ Notably, of course, Berle and Means in *The Modern Corporation and Private Property* (New York, The Macmillan Company, 1932).

⁵ *The Nature of Peace* (New York, The Macmillan Company, 1917), p. 31.

always be right; but right or wrong, my Country!" is incompatible with continued economic and social development, just as much so as those of Indian villagers or African tribesmen.

Institutionalism versus Price Theory

This, I submit, is economic theory: a theory of what the economy is and how it works. Edwin Cannan, the great Scots economist of the last generation, once defined economics as the study of "Why all of us taken together are as well off or ill off . . . as we are, and why some of us are much better off and others much worse off than the average."⁶ The main outlines of institutionalist theory correspond exactly to these questions. What determines how well off any whole community is, is the degree of technological advancement which that community has been able to attain; and what determines that some members of the community shall be better off than others, and who those some shall be, is the institutional structure of that society.

These answers are directly contrary to those of classical price theory. What we commonly call price theory is the intellectual superstructure of a theory of the economy as centered in, guided, and regulated by the market through the agency of price. A great many factors and circumstances—too many for rehearsal here—combined during early modern times to focus attention on the market and so contributed to the extraordinary plausibility of the market theory. But the upshot of it all is that exchange of goods in the market—buying and selling, motivated on the part of each individual participant by the desire for gain—is what makes any community as well off as it is. This was clearly and explicitly announced by Adam Smith. He began his great treatise on *The Nature and Causes of the Wealth of Nations* by calling attention in his opening sentences to what was a matter of common observation even in the 1770's: the increasing "opulence" of the Western peoples. That was what required explanation. Moreover, having stated the problem, he did not keep his readers long in suspense. The root cause of this amazing development, so he proceeded at once to say, is buying and selling.

To his everlasting credit, Adam Smith did take cognizance of technological process. But he did so only to attribute "the division of labor" to "the propensity to truck, barter, and exchange."⁷ Then there follows a passage so naïve that few later writers have cared to recall it, although in fact it tells the whole amazing story. Even among primitive peoples, he said, there must surely have been some individuals who were more skilled at making bows and arrows than at shooting game; and it must surely have been evident to

⁶ *Wealth* (London, P. S. King, 1914), p. v.

⁷ *Wealth of Nations* (Mod. Lib. ed., New York, Modern Library, Inc., 1937), p. 13.

them that they would be better off devoting themselves exclusively to the arts of manufacture and trading the products of their skill to hunters for an appropriate share of their bag.⁸ Thus the market—trade, and the prospect of gain through trade—was showed to be the efficient cause of all economic development.

The prime object of the price theory that followed, in the pages of Adam Smith and those of his successors during the ensuing century and three quarters, has been to reach the same conclusion. Notwithstanding the prodigious elaboration to which this body of theory has proved susceptible, economists have sometimes remarked that its basic principles are few, simple, and obvious.⁹ When, for whatever reason, the price of a given commodity goes up, relatively to others, the production of that commodity is more profitable than formerly. This attracts to that business alert businessmen who increase the volume of that commodity offered for sale. Eventually this brings on a glut and prices fall. As prices fall, those businessmen whose costs are higher than others (for whatever reason) will eventually go bankrupt, so that the volume of that commodity offered for sale will dwindle to the point at which buyers commence offering higher prices to obtain this scarce commodity, and so the cycle begins again. Thus, as Adam Smith said in good Newtonian language, actual prices "gravitate about" a midway point which is the "natural" or "normal" price. This is the equilibrium of supply-and-demand forces of which all price theory is an elaboration.

It is of course true and obvious that in any such situation any businessman who gets hold of a new and more efficient (or less expensive) method or material for producing the commodity in question will be in a position to capture the market. No one, not even Veblen, has ever questioned this. The question is, Where and how does he get hold of it? The (generally unspoken) presumption is that it is the opportunity for gain that leads to the devising of such new methods and materials and even altogether new industries. But the actual processes of scientific investigation and even technological invention are well known to be quite different. To an amazing extent discoveries and inventions are hit upon by "serendipity," a word that has come into increasingly common use in recent years. Even Adam Smith

⁸ *Ibid.*, p. 14.

⁹ Thus, for example, Kenneth E. Boulding, an eminent exponent of "economic analysis" and (previously, at all events) a vigorous critic of institutionalism, remarked in the course of "A New Look at Institutionalism," *American Economic Review*, Vol. XLVII, No. 2 (May, 1957), p. 9: "Even today the great bulk of what is taught under the name of economic theory is statics or comparative statics. I am prepared to defend this—and have defended it—on the ground that it does lead to some useful elementary propositions at the level of household wisdom: if we touch a hot stove we will burn our fingers, if we fix prices 'too high' we shall have surpluses, if we cannot absorb the capacity output we shall have unemployment, and so on."

cited the story of the child laborers who, hired to open and close the steam valves of a primitive steam engine, hit upon the scheme of tying a string to a moving part so that the valve would be opened and closed automatically. Smith evidently felt that what a child could do was of slight concern, and so completely ignored the massive significance of the machine.¹⁰ The market system does indeed make it possible for alert (or lucky) businessmen to "obtain the usufruct" of scientific and technological advances, as Veblen used to say. The market theory necessarily assumes the existence of a body of scientific knowledge and technological equipment in which alone such discoveries and inventions can occur—discoveries and inventions which the market theory proceeds to attribute to the lure of gain on no better evidence than the fact that somebody has actually made money out of them.

Most of the criticism to which price theory has been subjected has been internal: that is, criticism of theoretical minutiae by professional economists; and most of this criticism has taken the form of pointing out tautologies. Thus the term "utility," defined as "the want-satisfying quality" of any and all commodities, is so employed as to convey the suggestion that the adjustments of the market bring about the greatest happiness of the greatest number—that is, the maximization of utilities. But in order to show how this comes about, it is necessary to know what is for sale at what prices, and how much people buy with such incomes as they have. It is then possible to argue that people would not have bought what they did if they had not got the greatest possible satisfaction from such a demand schedule. But this is only juggling with words: substituting a presumed "satisfaction" (or quantity of happiness) for the known fact of purchase.

Much the same is true of "productivity." What this concept implies is that under the rule of the market everybody is paid exactly what he is worth. But in order to establish this interesting proposition it is necessary to know what people are in fact being paid, as well as what is being asked for the other "factors of production," and what the final product brings. Then, since an employer could not very well be expected to pay higher wages than others would be willing to work for, or employ more people than he can sell the product of, it seems to follow that the wages he is paying exactly equal the "value added" by his employees. But since in order to know what is this "value added" one must first know the entire configuration of the market, it seems clear that equating this situation with "exactly what everybody (and everything) is worth" is only a way of saying whatever is, is right.

¹⁰ Edwin Cannan remarks in a footnote to this passage (*Mod. Lib. Ed.*, p. 10): "This pretty story is largely, at any rate, mythical," and proceeds to trace its origin to a misreading ("not necessarily by Smith") of an early account of the invention in question. But this makes no difference to the spirit of Smith's citation.

Such tautologies have often been recognized by orthodox economists who have therefore sought to preserve the integrity of the market theory by using synonyms for the offending terms, or by explicitly denying that the terms in question mean the only thing they could possibly mean. But the case of capital is more difficult. The difficulty here is one of ambiguity. From the time this word began to be employed in an economic sense (about the middle of the sixteenth century) it has been used to refer indifferently to two quite different things: the physical paraphernalia of industrial production, and sums of money accumulated with a view to investment. What seems to justify this mutual identification is of course the fact that such sums of money can be, and are, used to buy industrial property, and the fact that the income which they "earn" derives from the operation of that industry. Thus from the point of view of the owner's receipt of income whether "capital" be thought of machine-wise or money-wise seems to make no difference.

But from the point of view of general economic growth it makes a great deal of difference, as Edwin Cannan pointed out in a very remarkable article written just a few years before his death.¹¹ As he showed, this confusion of meanings confuses the individual and the general aspects of capital. What is true of an individual—that he can accumulate money and buy into an industry—is not true of the nature and causes of the wealth of nations. That, he said, is due to "the heritage of improvement." This, he argues, as Veblen had done many years earlier,¹² and not individual accumulation and investment of money, is the true source of the general "increase of opulence."

This criticism has been generally ignored, and for obvious reasons, since the concept of capital is the heart, or solar plexus, of the whole market theory of the economy. As such it is no less significant than the presumption that buying and selling is what gives impetus to the increase of opulence. For economic growth takes more than ideas. It takes capital, and capital is brought into existence only by saving.

Such, at all events, is the classical tradition. Moreover, the exponents of that tradition are not so naïve as to suppose that money savings are transmuted into industrial equipment by magic. Their argument is more subtle. In order for industrial apparatus to be set up and put into production it is necessary that the entire physical output of the economy shall not be used up in day-to-day living. The presumption is that if something less than the entire money income of the community is spent (i.e., if part of it is saved)

¹¹ "Capital and the Heritage of Improvement," *Economica*, N.S., No. 4 (November, 1934), p. 381.

¹² Notably in two articles entitled "On the Nature of Capital," originally published in the *Quarterly Journal of Economics* (August and November, 1908) and reprinted in *The Place of Science in Modern Civilization and Other Essays* (New York, The Viking Press, Inc., 1919).

that necessarily means that something less than the entire physical output of the community will be so used up. This, then, becomes available as physical capital to be employed in new production.

It is this presumption that has prompted many present-day economists to identify their discipline as the study of "economizing," a habit of thought that is also implicit in the standard definition of economics as the study of "the allocation of scarce resources among alternative uses." The presumption is that at any given moment the community has only so much to do with, and it can eventually do more only if part of that so-much is held back from current consumption and allocated to the building of new industry. This is presumably effected by individual (and corporate) income-saving, prompted by the expectation of gain from the new industry.

But there are difficulties. The materials which are required for the construction of new industrial plant are not quite the same as those for which reckless spenders (if undeterred by the lure of future gains) would spend their money. Moreover, there is no historical evidence of any community's ever having economized its way to affluence. Indeed, just the reverse seems always to have been the case. However it has come about, the growth of industry has always meant an increase in what we now call the Gross National Product, with the volume of consumers' goods and the volume of producers' goods increasing simultaneously.

The truth is that, although the market theory purports to be a theory of economic development, its analysis of market forces has always assumed a "stationary state." In assuming that resources are "scarce," its exponents do not mean to deny that the relative scarcity-or-profusion of the "gifts of nature" may be affected by scientific discovery and technological progress generally. The point is that in order to understand the posture of the market at any given moment it is necessary to take the supply of resources at that moment as "given." The same is also true of allocation among alternative uses. No economist is unaware of the fashion in which the institutional structure of society defines such alternatives and effects such allocation. The point is that here also in order to understand the posture of the market all this must be taken as "given." Given the prevailing structure of society, and given the current state of the industrial arts, price theory shows how the allocation is effected by the market.

This fundamental characteristic of traditional price theory is what Veblen had in mind in characterizing that entire body of theory as "pre-Darwinian." No stricture of his has been more bitterly resented, and for obvious reasons. Understanding and acceptance of the evolutionary process has come to be one of the prime stigmata of an educated man. Hence to accuse any scholar of entertaining "pre-Darwinian" notions is tantamount to accusing him of

believing that the earth is flat. Nevertheless, Veblen had a point. The theory of price equilibrium is essentially static. All attempts to render it "dynamic" result in the introduction of so many "variables" into the neat equations of supply and demand as to render the whole situation unmanageable. Thus it seems clear that in so far as institutionalism takes its cue from Veblen—which is to say in so far as it is a theory of the nature of the economy and of the forces that shape it—this theory is incompatible with the traditional theory of a market-organized economy.

Institutionalism as a Unified Field Theory

But to most avowed institutionalists, and to virtually all other economists, institutionalism is not a body of theory.¹³ Indeed, the influence of Veblen even upon those who have felt it most strongly has not prompted a general effort toward the elaboration of a counter-theory of the economy. Rather its effect has been to produce or accentuate a certain degree of disenchantment with various aspects of the prevailing economic scene and a certain degree of impatience not merely with traditional price theory but even with theory as such.

Thus the institutionalists as a group have been prevailingly empiricists rather than theorists. Some—most notably, perhaps, John R. Commons and his students and co-workers—have been out-and-out reformers and as such the authors of a unique array of reform legislation. Others—most notably, perhaps, Wesley Mitchell and his associates in the National Bureau—have been primarily investigators of the actual operation of the economy in various particular respects. Thus even Walton Hamilton, who gave institutionalism its name,¹⁴ is best known for his early work on bituminous coal and his later work on patents. Even his price studies were concerned not so much with the theoretical significance of the classical description of the market as with showing that what actually happens in various industries is quite different from the traditional picture.

It was in this spirit—the spirit of responding to the challenge of economic actuality—that Morris Copeland, who was introduced to the study of the economy by Walton Hamilton, has identified institutionalism as concern with the devising of "institutional supplements" to the prevailing structure of society.¹⁵ This, too, was the spirit of John R. Commons' theo-

¹³ Such, for example, is the view of Edwin Witte, as expressed in his article, "Institutional Economics as Seen by an Institutional Economist," *Southern Economic Journal*, Vol. XXI, No. 2 (October, 1954). See especially pp. 132, 133.

¹⁴ See Joseph Dorfman, *The Economic Mind in American Civilization*, 5 vols. (New York, The Viking Press, Inc., 1946-1959), Vol. IV, p. 353.

¹⁵ "Institutionalism and Welfare Economics" (presidential address to the American

retical efforts. Taking price theory, as well as the capitalist economy, as "a going concern," he tried to show how the classical theory could and should be supplemented by recognition of the need for institutional reform.¹⁶

But these attitudes are by no means confined to avowed institutionalists. Such a state of mind existed before the time of Veblen and is now shared by nearly all economists. Thus it is well known that most, if not all, of the bold spirits who in 1885 organized the American Economic Association were moved by a spirit of impatience, impatience with the abstractions of pure theory, prompted in part at least by a feeling of its impotence in the face of the vast problems of capitalistic gigantism: the railroads and the trusts, oil and steel and meat-packing, the perennial plight of the farmers, and the seeming impotence of labor.¹⁷

Moreover, the same situation prevails at the present time. As price theory has become more and more recondite, the feeling is becoming more and more general among economists that they are being somehow victimized by the intellectual traditions of their own profession. It was not especially remarkable, perhaps, that Edwin Witte should have stated in the course of his presidential address to the American Economic Association that he now finds himself unable to read most of the articles that appear currently in the journals of his own profession.¹⁸ After all, he is a Commons man, outstanding for his distinguished services in the area of industrial disputes and for his major authorship of the Federal Social Security Act. What was remarkable was the thunderous and apparently unanimous applause which greeted that avowal. It would seem that the profession as a whole is not convinced of the usefulness of efforts to reduce the economy to a series of equations.

What the profession is convinced of is the necessity for specialized study of an increasingly large number of particular areas. As the economy has

Economic Association), *American Economic Review*, Vol. XLVIII, No. 1. See especially pp. 9 ff.

¹⁶ This is especially true of *Institutional Economics: Its Place in Political Economy* (New York, The Macmillan Company, 1934). His posthumously published *The Economics of Collective Action* (New York, The Macmillan Company, 1950) is much less concerned with effecting an adjustment with orthodox price theory.

¹⁷ See the excellent account of these events by Dorfman, *op. cit.*, Vol. III, pp. 205 ff.

¹⁸ *American Economic Review*, Vol. XLVII, No. 1 (March, 1957), p. 12. It is worth noting that in 1933 Edwin Cannan, as president of the Royal Economic Society, had opened his address, "The Need for a Simpler Economics," with this sentence: "It is rash for one of my generation to pass any judgment on the elaborate economic theory which is now being taught to the young, for we do not understand it." *Economic Journal*, Vol. XLIII, No. 171 (September, 1933), p. 367. Two years later, following Cannan's death, T. E. Gregory in effect identified him as an institutionalist in a memorial article entitled, "Edwin Cannan: A Personal Impression," *Economica*, NS, Vol. II, No. 8 (November, 1935). The compatibility of Cannan's later views with those of American institutionalism is all the more remarkable in view of the fact that, so far as I have been able to ascertain, he had virtually no contact with the American movement.

grown in magnitude and complexity the necessity for detailed knowledge of its many widely differing industries and operations has become increasingly pressing, and this necessity has been multiplied by the corresponding elaboration of governmental agencies. The great depression of the 1930's and the war effort and postwar problems of the '40's and '50's brought unprecedented numbers of economists into government service, in Washington and elsewhere. The skill and dedication of these men and women, and the value of their services, are beyond question. But it is likewise well known that prevailingly these specialists and government servants have left their ideological commitments behind them. As empiricists they have been indistinguishable from avowed institutionalists. This is what Allan Gruchy meant by remarking that "The institutionalists have established riparian rights along the Potomac."¹⁹ In Washington everybody is an institutionalist.

But nature abhors a vacuum. Whether the various participants are aware of it or not, some sort of intellectual concord must permeate so general an effort. Furthermore, such intellectual common ground must extend further than the classical conception of a market-organized economy. For economists are not the only social scientists, nor are they the only public servants. The more empirical economists become, and the more their work impinges upon public policy, the closer is the contact with other social sciences into which they are inevitably drawn. Thus the logical necessity for intellectual concord which these circumstances postulate extends to the whole roster of social scientists. Of necessity they must share common conceptions of the nature of society and of the significance of the institutional supplementation in which they are all engaged.

Such a unified field theory exists, in embryo at least. Although it is not generally identified as institutionalism and may never be, its germ has been present in the theory that was implicit in Veblen's work and has likewise been implicit in the dedicated empiricism of later institutionalists and even of the profession generally. That germ is the later nineteenth-century concept of culture which Veblen absorbed during his formative years and which has since become the foundation-concept of all twentieth-century social thinking.

All social scientists now agree that all characteristically human activities are learned activities. They are, of course, the activities of an animal species whose anatomical structure and physiological processes closely resemble those of other species; and even in so far as human activities differ from those of any animal, that difference has a basis in the evolutionary development of the human brain, erect posture, free-swinging and richly enervated

¹⁹ "Institutional Economics: Discussion," *American Economic Review*, Vol. XLVII, No. 2 (May, 1957), p. 15.

hands, and all the rest. Nevertheless, the activities themselves—as distinguished from the component physiological processes which they employ—are not transmitted in the genes, but are learned by each member of the species from the older members of the community into which he is born. The sum total of all that is so learned—that is, the sum of all the activity patterns of the community—is called culture.

This is the area, so to speak, in which all the institutions of organized society have their being. All social scientists now agree that no institution, present or past, is "natural" in the sense of being prescribed by the species-organism. That the human species is bisexual is an organic fact. But no particular mating pattern or family pattern is any more "natural" than any other. All such patterns are cultural, as all social scientists now agree.

This likewise is the area in which all knowledge and all skills, as distinguished from the chains of reflexes which characterize animal behavior, are developed and transmitted. All such patterns are now commonly identified as technical culture traits to distinguish them from kinship systems, organizational status structures, myths, rites, and ceremonies. All are culture traits, meaning learned activity patterns of particular communities.

Thus the basic preoccupation of all social scientists is with the interplay of the culture traits of the communities in which they are interested. This interplay, all social scientists now agree, proceeds by a logic of its own. That is, when a particular culture trait is transmitted from one people to another it is likely to be changed by its conjunction with other features of its new community. Thus Boas²⁰ pointed out that certain graphic patterns have appeared in many different cultures but have had different "meanings" in each. So also a newly acquired culture trait may greatly alter other features of the receiving culture. Thus certain American Indian tribes, having acquired horses from European invaders, were enabled to follow herds of bison, with the consequence that much of their ancient way of life underwent alteration.

It is in terms of such logic that sociologists now seek to understand, for example, the status systems that prevail in our society, and political scientists seek to probe the meaning of democracy and its constituent culture traits; and it is in such terms that we now try to understand the vast cultural revolution of which the industrial economy has been the outcome. So considered, the theory that attributes the intellectual quickening of the whole of Western society to the shrewd calculation of financial advantage by pioneering merchants is a step in the right direction. It is almost certainly wrong. But, as

²⁰ Franz Boas, *Primitive Art* (Cambridge, Harvard University Press, 1927). See especially Chapter II.

Schumpeter said of Marx, it is at least a general theory of cultural evolution.

As we learn more of the history of science and technology—modern, ancient, and prehistoric—the inherent dynamism of that process will be more and more clearly revealed, as will also the counterforce of institutionalized tradition. As we gain deeper understanding of our own institutional dilemmas, and as we study the plight of the peoples to whom industrial technology is only just now spreading, we will realize more and more clearly the tragic significance of the juxtaposition of an industrial death rate with a pre-industrial birth rate. Thus whether or not this way of thinking is called institutionalism (and the probability is that it will not be), economics will gradually come to share with the other social sciences a sort of unified field theory based on the dynamism of science and technology and the passivism of institutionalized traditions and social structures.

From this will also come a theory of value. The effort of institutional supplementation, in which economists are engaged along with their colleagues in the other social sciences, necessarily postulates a standard of value. In recent years most social scientists have been disposed to disavow that they are trying to develop anything so grandiose as a general theory of value and to say that they are only trying to make existing institutions work better, in particular to make the industrial system work better. But this is a theory of value.

It is a technological theory. Implicit in the technological process itself is a criterion of value judgment. This means not that technology is better than institutionalized tradition in any absolute or inscrutable sense, nor that "workmanship" is inherently better than "sportsmanship," as Veblen seemed to imply, nor that change is better than no-change. As John Dewey tried to point out many years ago,²¹ value judgments are judgments of the causal relation of one experience to another in the continuum of experience. The technological process affords a basis for such judgments because that process is continuous from age to age, whereas institutionalized traditions vary from one society to another and present no clear picture of "unilinear evolution."

For various reasons the present generation has turned a deaf ear to this instrumental (or operational) theory of value. But since the effort of improvement necessarily implies the meaningfulness of improvement, it is inevitable that the meaning which is now implicit in the effort itself will

²¹ "Logical Conditions of a Scientific Treatment of Morality," *Decennial Publications of the University of Chicago* (1903), Vol. III, pp. 115-139. These ideas were of course developed in Dewey's later works, most explicitly in *The Theory of Valuation* (Chicago, University of Chicago Press, 1938).

eventually be recognized and formulated. The terms in which it is so formulated may be somewhat different from those now identified with instrumentalism or institutionalism. But they will be to substantially the same effect; and since they will be equally germane to all the social sciences, they also will constitute a basing point for a unified field theory.

Such, I believe, is the promise of institutionalism.

*It Takes Hard Work
To Become an Alcoholic*

Its twice as hard to get drunk after dinner as before, Harrison M. Trice, New York State School of Industrial and Labor Relations at Cornell, has reported after a study of alcoholism.

Other highlights of his study: our mores and attitudes toward drinking must be changed before we may expect success in combating alcoholism. "Only one person out of seven taking treatment remains sober for as long as two or three years after therapy." "Heredity,

metabolism, emotional instability and group influences, in most cases, all contribute to alcoholism, and none of them is separately provable as a primary cause." Many business executives become alcoholics without being observed as such by drinking alone or with heavy-drinking companions. Usually seven to ten years of steadily increasing drinking are required before the imbiber has a physical collapse.

The Market as a Factor in Economic Growth

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WITHIN THE PAST FIFTEEN YEARS attention has been focused anew upon the market system as an institutional means for organizing economic processes. Among the probable reasons for the renewed interest, three developments stand out clearly: the ideological struggle between the East and the West, where, rightly or wrongly, the market system has come to symbolize the preferred economic ideology of the West; the work of social scientists and economic historians whose studies and insights continually require economists to revise their models of economic behavior; and the multiform problems of postwar economic growth and the related quest of economists for theories and mechanisms adequate for the tasks of economic growth, particularly in the underdeveloped regions. In this quest, the market system has constituted one of the alternative means for coping with the problems of economic development.

Of these three factors—one ideological, one intellectual, and one more strictly pragmatic—this paper will deal with only the intellectual and the pragmatic factors that have motivated a renewed study of the meaning of the market system. The paper will argue that intellectual currents from the behavioral sciences and the problematic situations of the underdeveloped regions are converging to drive economists toward two conclusions: one about the market system itself, and the other about economic theory.

Increasingly evident is the fact that the market system—formerly considered to be the institutional foundation of the industrial economy—is inadequate for the tasks of economic growth and development in the underdeveloped regions. None of the major underdeveloped nations with prospects of achieving the goals of economic growth have left their economic aspirations to the free play of market forces. Most of them have formed or are now formulating national economic plans. Their governments hope thereby to obviate the more deleterious effects of economic inequality that

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originate in the pre-market institutional system and to prevent the perpetuation of economic poverty that results from the unchecked operation of the market system.

Not only are the market institutions themselves inadequate to meet the challenges of economic development; economic theory seems to be deficient in at least three respects. Many of its concepts, formulated from the experience of a market system, are inapplicable to economies where the market pattern is not well developed. A second theoretical deficiency is the tendency to impute certain productive functions to market institutions when, in fact, the source of productivity lies elsewhere in the economy. Third, an equally unfortunate error has been committed in failing to recognize that market institutions themselves harbor nonproductive elements which hamper the productive process.

For purposes of illustrating the deficiencies of market institutions and of market-oriented economic theory, particularly with respect to the process of economic development, this paper will draw upon the work of two students of economic growth. Both these scholars have been sharply skeptical of the usefulness of market institutions and of economic theory for coping with the problems of economic growth and development. One of these scholars is Karl Polanyi;¹ the other is Gunnar Myrdal.²

Polanyi's Contentions

The contention of Polanyi is that the market economy during the period of its ascendancy performed a grave disservice to society at large.³ In order for the market to be a coherent and effective economic mechanism, it was imperative that all the factors of production be converted into salable commodities. Foremost among these were land and labor.

To accomplish the task, both these elements had to be wrenched forcibly and violently from the traditional fabric of society. The consequences for society at large were disastrous in both cases. As land was converted into a salable commodity, it was put to economic uses which were to result in forest denudation, soil erosion, and similar wasteful practices in the case of other natural resources. Human labor, on the other hand, was to suffer even more grievous afflictions as the poverty-stricken masses of humanity were reduced to unspeakable levels of mere brute existence, largely through the

¹ Karl Polanyi, *The Great Transformation* (New York, Rinehart and Company, 1944); Karl Polanyi, Conrad M. Arensberg, and Harry W. Pearson, *Trade and Market in the Early Empires* (Glencoe, Illinois, The Free Press, 1957).

² Gunnar Myrdal, *An International Economy* (New York, Harper and Brothers, 1956); *Rich Lands and Poor* (New York, Harper and Brothers, 1957).

³ Unless otherwise noted, the following précis of Polanyi's argument is based upon Polanyi, *The Great Transformation*, especially Part II.

abominable working conditions and the barely-subsistence wage levels of the early factory towns.

The basic difficulty, according to Polanyi, stemmed from the pronounced tendency of the market system to reverse the traditional relation between economy and society. Whereas prior economies had always been subsumed in the structure of society as a whole and economic values and motives had been subservient to the broader social interests of the entire group, the market economy for the first time in human history elevated economic values and motives to prime virtues. The pecuniary calculus became the yardstick by which the socially successful man measured his accomplishments. The market economy threatened to convert the very vitals of society—man and nature—into mere commodities, to be shunted hither and yon as markets ground inexorably and unfeelingly toward positions of stable equilibrium.

This specter of a society dominated by commercial values galvanized the community into taking measures to protect itself, thereby reasserting the traditional dominance of society over economy. But the countervailing movements of the society to protect itself against the ravages of an unregulated market mechanism brought the entire international market system crashing down in what Polanyi has characterized as "The Great Transformation."

So much for the market system itself. Polanyi and his associates are even more critical of Western economic theory.⁴ Such a theory is severely limited as a general explanation of economic action. It is conceivably valid only where the economy is actually integrated by a system of price-making markets. And since, within the entire spectrum of human experience, economic life has seldom been integrated through such a market system, that economic theory which attempts to find the meaning of economic life in market and price relationships is bound to be incomplete. The formal economic theory of the West does not account for important social processes and actions in underdeveloped areas which directly influence the operation of the economy. Even in the Western economies, particularly since the First World War, formal economic theory has become less and less relevant to the major tasks of economic analysis as the system of price-making markets has slowly dissolved into a compound of corporate collusion, governmental regulation, and public enterprise.

Moreover, Polanyi and his associates question the tendency of formal economic theory to elevate some of its fundamental concepts, such as "economizing," or "scarcity," to the status of universal axioms of economic conduct.

⁴ The following précis of Polanyi's critique is based upon Polanyi, *Trade and Market*, especially Part III.

Myrdal's Critique

Gunnar Myrdal's critique of formal economic methodology and of the market-price system is derived from an intimate knowledge, not only of economic theory, but also of the problems of economic growth now confronting the world's underdeveloped regions.⁵ Myrdal's major hypothesis is that socio-economic forces interlock in a process of circular causation. Circular causation is a cumulative sequence of interrelated actions, occurring somewhat in the manner of a social chain reaction. Therefore, no automatic self-stabilization process embracing the social system as a whole exists. Social systems are constantly moving away from a balance of forces, or, as the economist would say, moving away from a point of equilibrium.

The hypothesis, translated into economic terms, states that the market-price system does not tend toward stable equilibrium but that it sets into motion a sequence of events the effect of which is to perpetuate and accentuate the imbalance of forces working upon and through the market system. In the case of the underdeveloped countries, this means that the market-price system, if left free to function, normally tends to increase, rather than decrease, the inequalities between economic regions. By perpetuating and even accentuating the gap between rich lands and poor, the free play of market forces actually inhibits the process of economic development.

Both the advanced nations and the underdeveloped countries, to achieve a measure of balanced growth and national integration, have turned in recent decades to state-planning. In so doing, they have attempted to offset the tendency of both domestic and international market forces to aggravate internal and external regional inequalities which militate against sustained growth and which push the underdeveloped areas still lower on the scale of poverty and stagnation.

Moreover, the market-price system constitutes an inadequate framework for economic development on two other grounds. First, the major problem of increasing that type of investment which brings about increased levels of production cannot be approached successfully in terms of the costs and profits of individual business firms. The kinds and amounts of investment needed are not necessarily profitable from the market point of view. Pecuniary calculations do not account adequately for the social goals of planned growth. This observation is a tacit confirmation of Polanyi's contention that market and economy are not conterminous.

Further, the criteria for economic planning aimed at achieving growth and development lie outside the price system. The use of prices, money costs,

⁵ The following précis of Myrdal's argument is based largely upon Myrdal, *Rich Lands and Poor*.

and profit rates merely provides one mechanism through which an over-all plan can be partially stated and facilitated. The very goal of such planning is to modify the conditions under which the market-price system normally functions so that the community might better achieve that measure of economic development which it decided, largely independently of market criteria, to pursue.

All of this leads Myrdal to conclude that Western liberal economic theory is inadequate to cope with the economic inequalities and with the dynamics of economic growth and development. Whereas liberal economics has traditionally held that economic forces tend toward a stable equilibrium, the experience of the underdeveloped countries reveals a process of circular causation with cumulatively worsening economic effects, all detrimental to continued growth. Whereas according to doctrine, economic inequalities between regions tend to be reduced, they actually tend to be aggravated if the market is allowed a free play.

The methodological shortcomings, according to Myrdal, are traceable to the prevalence of metaphysical and teleological predilections which continue, in spite of economists' explicit disavowal of them, to structure their thoughts, their questions, and many of their answers. In addition, the distinction drawn by liberal economics between "economic" and "noneconomic" factors is invalid and misleading. Such a distinction excludes from theoretical consideration those very factors responsible for the cumulative effects of circular causation. Only when economic theory has been rebuilt along the lines of a general social theory broad enough to encompass so-called "noneconomic" as well as "economic" factors will it be adequate for an analysis of the growth process. Even then, it may not be the type of theory that will lend itself readily to model-building along econometric lines, although many of the more technical elements of current models can perhaps be retained as useful statements of particular problems.

The approaches of Myrdal and Polanyi are different, but their message is the same. The market system is an inadequate institutional mechanism for coping with the problems of economic development; and economic theory is in need of major surgery before it will be able to grapple realistically and effectively with the problems of growth and development.

At the same time, neither Polanyi nor Myrdal fully comprehend the implications of their criticisms for theory and for practice. For instance, although both argue that the market is referable to a broader social sphere of human action, we are left largely in the dark about its nature and its effect on the economy.

Some recent research in which the writer has been engaged explores the

nature of this broader, so-called "noneconomic" sphere of human action. This research suggests that the shortcomings of the market and of market-inspired methodology may be understood in terms of two interrelated factors of culture process. One is the scientific-technological process that constitutes the locus of economic productivity within human society. The other is the historical continuity between the market economy and those more ancient economies that preceded it in human society.

In spite of the unique characteristics of the market system considered as a whole pattern, the institutional elements that went into its formation were not unique in human experience. All the basic ingredients had been in existence for centuries prior to the formation of the market economy. This is true of money, property, capital, markets, trade, exchange, contracts, and the acquisitive spirit.⁶ All these—and other, more obviously vestigial, elements—were carried over from earlier times and became a part of the market pattern.

In earlier society such elements as money and property, now deemed to be predominantly "economic" in character, performed functions that were quite obviously ceremonial and ritualistic. Money served then, as it does today to some extent, as a symbol of social status and was used primarily for the ceremonial purposes of validating the status rank of its possessor. It was thought to be a seat of mystical power; and the careful manner in which it was handled reflected the awe and veneration normally accorded it. Indeed a considerable amount of evidence suggests that money owes its origin to these ceremonial practices rather than to secular trade and exchange.⁷ Probably, in fact, it is more accurate to say that the ritual symbols of exchange of pre-market society came to be called "money" when they were taken over for purposes of effectuating exchanges of property rights in the market place.⁸

Property, too, in earlier times was intimately related to the ceremonial round of primitive belief and action. C. Reinold Noyes, in his comprehensive study of Anglo-American property,⁹ argues convincingly that property rights were originally a compound of the power relations of the early household and the mystical bond thought to be established between its members. The clear distinctions we draw today between owner and objects, between real and personal property, and between corporeal and incorporeal property

⁶ Paul Einzig, *Primitive Money* (London, Eyre and Spottiswoode, 1948), Book II, Parts I and II, Book III, Part II; A. R. Burns, *Money and Monetary Policy in Early Times* (New York, A. A. Knopf, 1927); V. Gordon Childe, *What Happened in History* (Harmondsworth, Middlesex, Penguin Books, 1942).

⁷ Einzig, 1948, Book III, Part II.

⁸ For discussion and analysis of this idea, see William C. Frederick, *Introduction to a Cultural Theory of Money* (Ann Arbor, Michigan, University Microfilms, 1958), Chap. VI.

⁹ C. Reinold Noyes, *The Institution of Property* (New York, Longmans, Green & Co., Inc., 1936), Chap. I.

were unknown to the earlier peoples. All members of the household—including animals and inanimate objects—"belonged" together and to the household. The obviously mystical beliefs with respect to "belongingness" have long since disappeared, but students now recognize power as one of the prime attributes of the property institution today, or at least that portion of property institutions that still thrives.

These ceremonial, or "noneconomic" factors, have seldom been made explicit in economic theory—partly because not much was known about them until recently and partly because of the rationalist bias of the early political economists who laid the theoretical foundations of economic inquiry. But, quite likely, many of the forms of economic action in even the most advanced nations are traceable in part to the persistence of ancient economic practices of a ceremonial character.

The historical continuity of ceremonial elements is responsible for the inadequacy of the market system. Whatever its economic function has been in releasing productive forces, the market economy has retained ceremonial and nonproductive elements which have hampered the economic use of resources.¹⁰ The class distribution of money income, with its subsequent influence upon consumption and saving, is one example. Restriction of the entrepreneurial or management function to the propertied is another case in point, although this weakness has been rapidly overcome in the modern corporation where owners have been relieved of their control of technological processes. And as Professor Galbraith has recently argued, we are plagued by a conventional institutional system which, as a whole, directs our productive powers into questionable channels.¹¹

This—and not Polanyi's argument—is the societal disservice of the market economy. The indictment of the market system is not that it converts human values into cash values, or that human life is degraded, or even that the traditional fabric of society is rent asunder. The major charge is that it fails to operate the community's industrial technology at its fullest and most effective level of productivity. It fails to allow the community an economic use of its resources.

Today's underdeveloped regions cannot afford an uneconomic use of resources, and that is precisely why they cannot afford a market-organized economy. Myrdal's whole argument is that market forces do not conjoin to effect an equilibrium in which resources are allocated effectively in a process of growth. On the contrary, due to cumulative causation the market acts to

¹⁰ Thorstein Veblen, *The Theory of Business Enterprise* (New York, Charles Scribner's Sons, 1904), Chaps. III, IV, IX, and X.

¹¹ John Kenneth Galbraith, *The Affluent Society* (Boston, Houghton Mifflin Company, 1958).

perpetuate and worsen the economic inequalities and to stifle economic growth. And for Myrdal one of the sources of the growth-destroying disequilibrium in underdeveloped regions is the prevalence of primitive forms of religion, traditional mores, taboos, magic, superstition, and ceremonial elements generally.¹² In short, market institutions cannot be relied upon to guide economic growth because they contain and interact with elements that are inherently disequilibrating in a downward direction.

So with the indictment of formal or liberal economic theory. Its inadequacy does not rest completely upon its inappropriateness for nonmarket situations, nor even fully upon the questionable attempt to expand its special logical categories into universal attributes of economic life. Rather, it is charged with failing to provide a theoretical explanation of ceremonial, non-productive elements which affect the operation of the economy. These factors are subsequently treated as "noneconomic" phenomena, with the further rationalist presumption that all institutional components of the market system have productive functions to perform. Further, economic theory has never given proper scope and recognition—in an integrated, theoretical fashion—to the scientific-technological process which we now know to be the locus of the economy's productivity and of the general community's power to grow and to develop.¹³

The latter shortcoming is probably the greater of the two. For, basically, the central problem of economic growth in the underdeveloped regions is a technological problem. That is, it is a problem of finding and using technical means to achieve technologically-oriented goals of material and mental well-being. The problems that seem now to be central—for example, the persistence of traditional land-tenure patterns, the prevalence of ideological orientations essentially hostile to the performance of industrial work, the nationalistic aspirations that threaten the diversion of resources toward un-economic ends, the widespread illiteracy, the reluctance or refusal to accept needed birth control measures—these problems are only peripheral to the larger task of developing the technical means necessary to achieve rising levels of material well-being. Such goals can be attained in no way other than through the removal of these cultural and institutional barriers to economic growth and the adoption of the methods and procedures appropriate to the scientific and technological processes. Stripped of its varying cultural manifestations, the problem of economic growth is one of encouraging lands both rich and poor to learn to choose those technological means that are most

¹² Myrdal, *Rich Lands and Poor*, p. 30.

¹³ C. E. Ayres, *The Theory of Economic Progress* (Chapel Hill, University of North Carolina Press, 1944).

likely to aid them in attaining a greater and expanding condition of material welfare.

This scientific-technological process, in its cultural setting, is the broader frame of reference to which all human institutions, including market institutions, must ultimately be referred in assessing their worth-whileness for economic growth.

Therefore, if one is to assess the role of the market in economic growth, it must be done through a reconstructed economic theory. Market models must be built upon current understanding of culture process, not just upon inherited theoretical predilections. Much of what economists now possess in the way of theory can be salvaged, if it is recognized as an incomplete explanation of the economy. Neither the meaning of the economy nor the solution of the problems of growth and development is to be found exclusively in market-price relationships. When economists show that they recognize this by basing their theory upon a knowledge of culture process and upon actual problematic situations, the requirements of economic growth and development will stand out more clearly. This will be the economists' reward for having asked the right questions and having sought the right answers.

New Social Science Publisher

Richard D. Irwin has announced the founding of the Dorsey Press to publish books in all the social sciences. Irwin has been a publisher in business and economics for the last quarter-century.

Consulting editors are Emanuel T. Weiler, dean of the School of Industrial Management, Purdue, for economics; Howard F. Hunt, chairman, Department of Psychology, Chicago, and Don-

ald W. Taylor, professor of personnel management and of psychology, Yale, for psychology; Peter H. Rossi, associate professor of sociology, Chicago, and William Foote Whyte, director of the Social Science Research Center, Cornell, for sociology.

President of the Dorsey Press is Irvin L. Grimes, former vice-president of Richard D. Irwin, Inc.

Book Reviews

Edited by

H. MALCOLM MACDONALD

WALTER GOLDSCHMIDT: *Man's Way*.
New York, Henry Holt & Co., Inc.,
1959. 253 pages. \$2.90.

Despite its name, this is not another "Mirror for Man" to introduce anthropology to the public. It is a theoretical work. Goldschmidt argues that social science must use all pertinent approaches of theory and method, but he stresses two: functionalism and evolutionism. In so doing, he is in effect de-emphasizing biological and psychological approaches, the item-diffusion focus, and ethnographic accounts which are merely descriptive history.

Notable is his attempt to set forth a more fruitful theory of societal evolution. Classic evolutionary theory is discarded, with its "qualities of inevitability, teleology and ethnocentrism." He sketches five (not three) stages, starting in time with the "nomadic" and ending with the "industrial." Technology is seen as the main driving force in change, bringing with it population density, urbanization, and surplus goods. When technology advances social institutions (Goldschmidt's dependent variable) must adjust; thus a society evolves. The clan, for instance, is seen as an institutional device needed as an authority structure in the middle—not the early or the late—stages of evolution. Many traits are followed

through, such as "communism," education, approved forms of murder, etc. For those seeking a theory of evolution, here are some good ideas.

But Goldschmidt is also a functionalist. Thus we are confronted with the problem which vexes many: the relationship between functional analysis and social change. Goldschmidt does not face this question head-on. His closest link between the two is a series of five "mechanisms of social evolution." While certainly better than nothing, these boil down mostly to technology, and the consequent adaptations to technological change within the existing institutions of a given society. This appears to be merely functionalism again, although lacking the usual demand for common-ultimate value consensus, or a focus on dysfunctional tension.

Of course, "evolution" need not mean the same thing as "social change." Goldschmidt's evolutionary scale points are placed too widely apart to be of much relevance for problems of social change, although they could be used in historical study. Perhaps we need two kinds of theory for social change, one interested in much longer spans than the other. Principles of change derived from shifts between, for example, the herding and the peasant stages may tell us very little

about changes within our own industrial epoch. Technological change is crucial in pre-urban society, but as industrialization spreads, problems focus less on man's control over nature and more on man's relations to man: what lessons can we learn from the Tiv about such things as manipulation, alienation, and the organization man? The problem of prediction from such an evolutionary schema is even more difficult owing to the existence of alternative possibilities.

Goldschmidt tackles the complicated problem of "societal needs" by supplying a set of "social imperatives," which lack the systematic appearance of some other sets of "functional prerequisites." He organizes his argument somewhat idiosyncratically, rather than stacking up his propositions with reference to existing theories, so as to test, modify, or consolidate these. Some of his concepts — "values," "ideology," and "anomie"—are used in a way unfamiliar to this sociological reviewer. For instance, "values" sometimes refer to "gain" or "wealth," making them mostly distributive and pitched on the individual rather than the cultural level. He is open to the criticism of overlooking the irrational, and of accepting (albeit explicitly) the postulate of "survival" as the criterion for the evaluation of societies. But he is more aware than many functionalists of the significance of forces external to the system.

The book deserves study. Here at least we have the willingness of a functionalist to try what most people say he cannot do: explain change. Historians, the chroniclers of change, have recently published a monograph (SSRC) showing their new interest in

problems of social science methodology; perhaps it is time for sociologists to attempt a monograph on applying their functional analysis to history.

Warren Breed
Tulane University

RICHARD K. BEARDSLEY, JOHN W. HALL, and ROBERT E. WARD: *Village Japan*. Ill., Chicago University Press, 1959. 500 pages. \$8.75.

This book is unquestionably the most comprehensive analysis of Japanese rural life ever published. Preceding studies generally approached the subject from the viewpoint of a single discipline and, in some cases, were further limited by a tendency to represent a particular school of thought within that discipline. In contrast, this book is the product of an interdisciplinary effort by a highly competent team of experts associated with the University of Michigan's Center for Japanese Studies. For the first time, students of Asian culture are presented with an "integrated" social, economic, and political picture of life in a Japanese village. The value of the study is further enhanced by the fact that it was conducted over a considerable span of time (1950-1957). Hence, the researchers were able to recheck their interview data and evaluate changes with greater accuracy.

The authors do not mention that the inland sea hamlet they studied typifies all Japanese villages. For example, a distinction is made between patterns of life in the core (centered around the Inland Sea and Kanto Plain) and frontier (Southern Kyushu and North-east Japan) zones of Japan. In essence,

a conscious effort is made to avoid sweeping generalizations about Japanese "national character." On occasion, this cautiousness partially obscures the general propositions that are advanced. But, on the whole, the writers' deep respect for the richness and diversity of Japan's culture is both healthy and refreshing. And, in any case, excellent comparisons of rural behavior in Japan and Western nations can be found throughout the book.

Several individual contributions are worth noting. As might be expected, the largest portion of the material presented is anthropological. Specifically, Beardsley describes in great detail the villagers' physique, temperament, work patterns, family ties, and community associations. Particular attention is focused upon the close relationship between agricultural technology and the group-oriented psychology of the Japanese farmer. In the authors' words, "Land management unites the household; water management unites the community." Political scientists will find Ward's description of governmental operation and the political process at the local level especially rewarding. He carefully analyzes the division of functions and power between mayor and assembly; local financial structure; relations between national, prefectural, and village governments; electoral machinery and voting patterns; systems of boss control; leadership characteristics; and factors that are bringing changes to the local political scene. Hall's examination of the historical setting and the detailed description of the income and expenditures of selected families (based on data provided by Charles Remer) further augment the book's value.

A major concern of the authors is to determine how much and in what ways village life is changing. They point out that, to a limited degree, modernization of farm techniques, increased economic contacts with urban areas, and occupation reforms have expanded spheres of coöperation beyond the usual household-hamlet-centered arrangements and have made it possible for a slightly greater extent of individualism to emerge. However, they stress the ability of the Japanese to adjust and maintain equilibrium in the face of tensions created by the pull of old and new forces.

In spots, the authors tend to be unduly cautious about generalizations. Also, the concluding chapter fails to take full advantage of the interdisciplinary aspects of the study. Nevertheless, because of its wide scope, richness of detail, and well-founded comparisons this book is a "must" for students of Japanese life. When combined with slowly emerging studies of urban behavior (e.g., R. P. Dore's *City Life in Japan*) it provides scholars with a sound basis for analyzing Japan's culture.

James R. Soukup
The University of Texas

G. FRANKLIN EDWARDS: *The Negro Professional Class*. Glencoe, Ill., The Free Press, 1959. 224 pages. \$4.00.

This book is the result of a scientific study of mobility of the Negro professional class. The chief method of the study was the use of a specially designed questionnaire. The information secured by the use of this instrument was supplemented by other equally re-

liable information. "The Talented Tenth" in *The Negro Problem* by W. E. B. DuBois and Booker T. Washington, 1903; *The Mulatto in the United States* by E. B. Reuter, 1918; *Social Mobility* by Pitirim Sorokin, 1927; and *The Anthropometry of the American Negro* by Melville J. Herskovits, 1930, constituted much of the early literature on the subject of mobility. At least twenty-five authorities whose books have been published since 1930 were quoted or cited. It remained however for Edwards to extend the borders of knowledge in a field yet slightly cultivated.

The U.S. Bureau of Census, *Negro Population in the United States, 1790-1915*, furnished the original population statistics. A few Negroes were listed in the professions even before Abraham Lincoln issued the Emancipation Proclamation, which set the stage for dramatic action and provided incidentally a sociological situation for scientific studies of an emerging democracy. Once freedom from slavery was achieved, the door of opportunity for vertical mobility was opened to the Negro even if there were numerous obstructions in the path to this door.

Physicians, dentists, lawyers, and college teachers formed the four professional groups used in this study. Clergymen were not included for the reason that professional standards were not sufficiently established to warrant the inclusion of this group. Three hundred professional men were represented as follows: ninety physicians, forty-six dentists, seventy-two lawyers, and ninety-two college teachers.

Edwards was fortunate in being able to secure the coöperation of the faculty of Howard University throughout the

study. The schedule of questions submitted to the three hundred members of the Negro professional class was given the title *A Study of Professional Careers*.

The twenty-eight principal headings in the questionnaire were followed by more than two hundred subordinate items that sought to explain the mobility in the Negro population from one vocational status to another, a mobility resulting in a Negro professional class: "How do you explain the fact that you became a professional worker, while some of your brothers and sisters or close friends and neighbors did not? Was it a matter of education, family backing, ambition, 'pull,' intelligence, good luck, physical appearance, or what?" An appeal for coöperation and for completely frank and objective statements concluded the questionnaire. The appeal was heeded. The information obtained in this highly meaningful sociological study formed the basis for fifty statistical tables. This task, a Herculean one even for a trained sociologist with an unwavering ambition to complete a worthy undertaking, was indeed worthily completed. The chapter titles of the book are "Introduction," "Statement of Problem and Method," "The Overall Pattern of Mobility: Occupational Origins and Inheritance," "Factors Associated with Mobility," "Images and Motivations," "The Career Profile," and "Summary and Conclusions."

Edwards has assembled so much information in this volume of 224 pages and has organized it in such a skillful manner that the methodology itself is a value. Nor is this all; he has made a genuine contribution to knowledge in an appealing area of social change. The

significance of this work will be recognized and appreciated by inquiring students and scholars.

Charles D. Johnson
Baylor University

KAREN DOVRING: *Road of Propaganda*. New York, Philosophical Library, Inc., 1959. 158 pages. \$4.75.

The author sets out to present a systematic analysis of propaganda as it appears in mass communication. The focus of interest is on propaganda in the limited sense that has been applied to the term in time of war or other power conflicts.

The propaganda process is thought of here as being one of communication between the communicator and the public. This communication should then be analyzed as to *attention, interest, influence, and understanding*. The latter is a special reaction reserved for those *cognoscenti* who are interested in the devices and purposes of propaganda. The book follows this outline of taking up each of the above aspects as a topic, with occasional illustrations to put across a point. All this comes after we have been made aware of the importance of having background knowledge of the communicator and the public.

The whole thing seems very much akin to the familiar approach of finding out "who says what to whom, with what effect?" It is not much more than that. No new findings or really very new concepts are presented here. In fact, the study can be looked on as a step backward. Of late, most propaganda studies have been absorbed into the general studies of persuasion which

include such things as advertising and public relations, using knowledge coming from fields of communication, social perception, and motivational psychology. The book is reminiscent of the "handy-dandy" guide books on propaganda when propaganda was felt to be a threat to be reckoned with.

The people toward whom the book is directed are the analysts of mass communication and the "understanders" in the general public. It is doubtful that this select group would gain much from reading this book, for while it claims to be a new observation on old phenomena, it is not.

All this is not helped by the fact that it is the most tedious 150 pages to come out on this subject in the Western world. It will be very likely another of the growing contributions this publisher makes to the bookstores' remainder shelf.

Fredrick Koenig
Southern Methodist University

JOSEPH S. ROUCEK (ed.): *The Challenge of Science Education*. New York, Philosophical Library, Inc., 1959. 491 pages. \$10.00.

This book will be read slowly, for it represents a serious attempt to survey both the past and the present status of science education. It expresses, in eight areas, the considered judgment of thirty-five writers about thirty-one topics. The latter range from pre-primary and elementary education through adult education, and include some comparisons between science education in the United States and science education in England and Russia. This survey of science education is not

limited to physical and biological science and mathematics, but touches on social science, medicine, and engineering.

Many readers of this brief encyclopedia will find much information which they are already aware of and in agreement with, but in areas removed from their own educational experience or interest they will discover some new facts and conclusions with which they will disagree. It is quite unlikely that any reader, seriously aware of the need to be broadly informed concerning science education and its impact on our future social structure, will skim hurriedly through this book; rather, he will return to it to reread certain chapters. Of particular value to the serious reader are the selected bibliographies and notes which close most of the chapters in this book.

This is no hodgepodge treatment spawned in the hysteria following the launching of Sputnik. Instead, the several writers, some of whom are of international repute, exhibit calm, judicious evaluation. So will be appreciated the article on "The Case For and Against Science and Scientism," and the highly informative portion dealing with "Science for General Education."

Those readers interested in providing adequate instruction for all types of students will enjoy the statements, by instructors in science and mathematics, that attention should be given to creation of college courses intended for that larger fraction of the population which can benefit from a program of science instruction significantly different from that planned for science majors.

An unusual inclusion in this "Challenge" records the "Activities of Fed-

eral and State Governments" in science education. In the chapter titled "Auxiliary Aspects" will be found consideration of the importance of an expanded program of science education in the area of adult education, and the influence of "Science in Fiction and Belles-Lettres."

The book closes with a chapter, "Classical Education, Science and the West," by Werner Heisenberg, liberal arts graduate in philosophy, but subsequently theoretical physicist and Nobel laureate. He records the successful integration of classical education and natural science in his own life and work; this expression may quiet much of the apprehension commonly held that education in natural science may endanger education in liberal arts.

Henry R. Henze
University of Texas

BARTLETT H. STOODLEY: *The Concepts of Sigmund Freud*. Glencoe, Ill. The Free Press, 1959. 274 pages. \$6.00.

This volume is a penetrating and scholarly analysis and evaluation of the thought, methods, and philosophy of Sigmund Freud. While even the most astute student of Freud will find a deeper insight into the contributions of the great genius, Stoodley's announced purpose is to present the contents of this text so that the reader can profit from its reading without having a detailed and professional familiarity with Freud's work.

Constant and frequent reference is made to the major works of Freud, including *The Interpretation of Dreams*; *Three Contributions to a Theory of*

Sex; On Narcissism: An Introduction; The Unconscious; Mourning and Melancholia; Beyond the Pleasure Principle; The Ego and the Id; The Problem of Anxiety; and Civilization and Its Discontents.

The book is organized in three divisions, rather logically related to chronological periods, systems of thought, and stages of Freudian thought. The first part is devoted to "Somatic Reduction," and runs to about 1900. Freud's initial system of thought was designated as the "somatic" system. It is amply demonstrated that he was committed to the proposition that a satisfactory system of concepts could be worked out within the limits of the organisms as such. The somatic base was emphasized as being crucial in the etiology of mental ills and largely sexual. Three types of mental processes are illustrated: the Conscious, the Preconscious, and the Unconscious. The last of these is considered to be the basic process, the larger circle of the conscious, and is the true psychic reality. The Unconscious area is explained thus: (a) material in an unconscious state; (b) its source of power is sexual, somatic energy; (c) it contains "primal" symbolism and native fantasies; (d) it has a faculty for making judgments; (e) a strong effect is derived from sexual, somatic excitation; (f) the wish is the basic impulse to action; and (g) this wish is capable of "hallucinatory cathexis." The end of the first major period in Freudian thought finds Freud seeing the Conscious as a static obstacle course for the dominant and dynamic Unconscious. Biological conceptualization begins to give way to psychological conceptualization.

The second part of the volume concerns itself with "The Structure of the Mind." The libido theory, its origin and failure, is explained. "Libido" is defined as the total amount of energy created by sexual, somatic processes and available for psychic employment. "Libido-quantum" is designated as the quantity of gross sexual excitation, and the "ego-libido" is cited as the psychic representative of the libido-quantum.

By this stage in Freud's thinking, certain changes are demonstrated. First, mental energy has been divided into three parts: sexualism, moralism, and egoism. Second, the "topographical" approach has given way to the "metapsychological" approach. Third, the strategic areas of the mind are now called "bound" or "unbound" areas, and repressed or unrepressed areas.

The final division of the text is concerned with "The Social Structure in the Mind." This last period of Freud included four concepts: the pleasure-principle, the reality-principle, repetition-compulsion, and the death instinct. The pleasure-principle is recognized as the newest expression of somatic reduction. The death instinct purported to explain why people engage in senseless and self-destructive behavior.

Freud cited the ego as having as its task the bringing of influences of the external world to bear upon the id and its tendencies. At this point the great genius was beginning to recognize that social reality was as significant as physical reality. He was turning more to "culture" as an organized system of cause. One of the final conclusions of the text cites the fact that Freud at last seemed to recognize the relation between the organism and the

effects of the social environment upon it.

G. E. Waggener
Tarleton State College

DAVID L. MILLER: *Modern Science and Human Freedom*. Austin, University of Texas Press, 1959. 297 pages. \$6.00.

The assessment of this book must be left to the professional philosopher, who alone can weigh the originality and coherence of Miller's application of naturalism and evolutionism to our technological society. The political scientist can do little beyond commenting on the author's socio-ethical conclusions, which seem like the complacent scientific utopianism of H. G. Wells before *The Shape of Things to Come*: "All that is necessary to allow a continuing increase in freedom is a peaceful, coöperative human society." Such are Miller's concluding words. The *Communist Manifesto* and Lenin's *State and Revolution* came to a similar conclusion, but Camus, Orwell, Huxley, and Niebuhr offer correctives to such facile optimism.

Political scientists may find of interest these four features of the book: a critique of political behaviorism and cultural relativism; an analysis of the limitations of scientific method; naturalistic definitions of freedom; and a proposal for solving the problem of socio-ethical direction of scientific research and technological development.

Miller's critique of behaviorism and natural science analogism is made in terms which the exponents of these points of view will understand. This probably constitutes the main value of

the work for social scientists, although the attack from within is somehow unsatisfying.

Miller proposes establishing a commission to coördinate and direct pure research toward social and economic improvement. The commission will include "pure scientists," technicians, moral philosophers, "humanitarians," and politicians. Moral philosophers will "pass value judgments with reference to values found in human social and personal relationships;" humanitarians (sociologists or social scientists) will "gather and interpret data concerning the customs of society . . . with the purpose of discovering the desires of the people." This natural science will be directed towards correct goals. Such a commission might do the trick, but everything one knows about politics, history, and human nature suggests that it would not: "The final result of political action often, no, even regularly, stands in completely inadequate and often even paradoxical relation to its original meaning."—Weber. Such is the paradox of politics and of human freedom, but Miller appears to be blissfully unaware of it.

Raymond English
Kenyon College

HORACE M. KALLEN: *A Study of Liberty*. Yellow Springs, Ohio, The Antioch Press, 1959. 151 pages. \$3.00.

This study renews the controversy between those who define liberty in terms of the natural and the scientific and those who rely on the classical and basically metaphysical point of view. The author leaves no doubt as to where

he stands, for the positive nature of his convictions clearly identifies him with the John Dewey school of modern thought.

The problem of liberty is first analyzed in terms of man as a product of the evolution of organic nature. There is a refutation of the assumption that scientific knowledge is deterministic, and an affirmation and detailed analysis of the conviction that the import of the new physics is for liberty both human and nonhuman.

At the heart of the issue is the problem of the mind of man. How did man as an animal acquire a mind? In answering this question the author devotes much consideration to such issues as consciousness and value system; consciousness and brain electric; mind and body; memory, survival, and extinction; the senses and personality; suicide and survival. The essence of Kallen's point of view is bound up in the assumption that "the mind has a body" and "the body has a mind," and in the statement that "the upshot of all the foregoing observations would be that 'pursuit of liberty' and 'struggle for self-preservation' are alternative expressions for the human condition."

How this study will be received depends to a large extent upon the philosophy which one brings to it. Almost certainly it will be bitterly refuted by devotees of both the orthodox Christian and classical traditions; yet if one is willing to face up to the growing body of knowledge related to man and society, the theory expounded by the author would seem to carry much weight.

The problem with which Kallen is concerned is surely one of the crucial

issues of the twentieth century. If there is no solid intellectual basis for liberty, and this basis for our day must be identified with the growing sciences of physics and biology, then the whole idea of freedom is an illusion and a fraud upon humanity. Ours is a schizophrenic culture, one in which the contribution of the intellectual is glorified in the field of the natural sciences but rejected in the political, economic, and religious fields. In an effort to bridge this cultural dichotomy the author has made a significant contribution.

William E. Drake
The University of Texas

NOEL KORN and HARRY REECE SMITH (eds.): *Human Evolution, Readings in Physical Anthropology*. New York, Henry Holt and Company, Inc., 1959. 447 pages. \$5.50.

LIONEL STANLEY PALMER: *Man's Journey through Time*. New York, The Philosophical Library, Inc., 1959. 184 pages. \$10.00.

MAY EDEL and ABRAHAM EDEL: *Anthropology and Ethics*. Springfield, Charles C. Thomas, 1959. 250 pages. \$5.50.

The only unifying characteristic of these three books is that all deal with one or another aspect of the broad field of anthropology.

The authors of *Human Evolution* "... have tried ... to assemble the kinds of material that [they] believe both students and teachers in a biologically-oriented anthropology course should have at their disposal for the learning of the facts of evolution and as a basis for class discussion and lec-

ture." They are operating in a relatively virgin field. The book is divided into seven parts: "What is Anthropology?" "The Genetic Basis for Life," "Forms and Forces in Evolution," "What Happened in Evolution," "Direction of Human Development," "From the Fossil Record for Man," and "Is Man Still Evolving?" It is perhaps almost inevitable that the articles do not display marked continuity, nor do the authors succeed or seriously attempt to bridge the gaps with extensive comments of their own. A teacher using this as a supplementary text will be kept busy preparing the student for the reading—some of which is reasonably technical—bridging the gaps, and discussing divergent views on various questions. It could be a stimulating experience for all concerned. This book is one which should be reviewed by anyone setting up a course in physical anthropology. It may prove of value as well to others who wish to get a taste of some current writing in the field, but it is not suggested as a sole source of information or as an introduction to the general field. Proper appreciation and evaluation of its contents is most likely to be achieved by those using it as a text or by those with some previous background in the subject.

Man's Journey through Time is subtitled "A First Step in Physical and Cultural Anthropochronology." The step is taken firmly by the author but on shaky ground. While certain of the techniques proposed may prove of value in the analysis of certain problems, most of the conclusions reached herein range from the trite—on atomic energy: "... man can exterminate himself but if used as an implement of

peace the cultural development graphs will go on upward at an ever increasing rate to man's enormous advantage"—to the improbable—"as glacial ice retreated, the temperate vigorous climate moved from Egypt to England, taking with it the belt of civilization." Many of his basic assumptions, techniques, and results are open to debate, to say the least. Lack of space prevents discussing these here, however. Suffice it to say that this book should be used as a source only after careful evaluation. To paraphrase: let the reader beware. The book has an index but no bibliography.

The third of these three books lies nearly at the opposite end of the anthropological spectrum, but like the other two it explores seldom trodden ground. In *Anthropology and Ethics* the authors "have attempted some studies and proposed others which we believe show that [an interdisciplinary approach to a study of ethics] is potentially an extremely fruitful one, that ethics can be wedded to science, and that the data and perspective of anthropology in particular have very definite philosophical implications in the field of ethics." This is essentially a cross-cultural survey of morality which, as it intends to do, raises more questions than it answers or evaluates. It is exploratory and at times cursory rather than definitive. Nonetheless, it constitutes a significant contribution and anyone concerned with the broader implications of anthropology or interested in any aspect of ethics will profit from a careful reading of this book—a task the authors make surprisingly pleasant.

Charles R. McGimsey III
University of Arkansas

LOYD A. FREE: *Six Allies and a Neutral*. Glencoe, Ill. The Free Press, 1959. 210 pages. \$5.00.

The Institute for International Social Research, with the coöperation of foreign agencies engaged in opinion research, has produced a unique study and analysis in the field of international politics. The United States and five of its major allies—Great Britain, France, West Germany, Italy, and Japan—as well as neutralist India, were involved in the study.

The major sources of information were parliamentarians, elite informants in political circles, and a limited number of foreign observers. An adequate sample of the major political ideologies were questioned regarding national aspirations and the vexing problems in external affairs.

The customary questionnaires and interviews were used in gathering the data. No fault can be found in the questions or the procedures used in collecting the information. Nor does the author claim more than that the conclusions derived from the data indicate the basis for action in external affairs of the surveyed country as of the period from January to April of 1958. Free readily admits, for example, that "any meaningful ranking of France . . . must await an up-to-date, repeat study of France's new political set up." This is often the fate of behavioristic approaches to dynamic situations. It would be interesting, for example, to discover if the recent events in Tibet may have changed some Indian parliamentarians' opinions as to China's sincerity in working "to promote peace." Some fifty-one per cent of this group

stated this to be their opinion of China's intentions.

Provided in the study is a wealth of statistical information which can be used to back up views acquired by many students of international affairs through intuitive processes. The reviewer finds it difficult, however, to agree with the statement made in the introduction (not by the author) that "the study highlights the fact that an understanding of 'foreign policy' is possible, in the last analysis, only if we gain an understanding of the political psychology of the people who fashion it."

The correlation of opinions of the left-wing, center, and right-wing parties of the seven countries surveyed is, perhaps, from the standpoint of predicting the future, the most meaningful and useful of the information produced.

This study should be of value to all those who are interested in the psychological-dynamics approach to national behavior. The traditionalists are obligated, however, to study carefully the procedures followed and the conclusions reached in this study. Only then can proper judgment be passed upon the validity of this highly systematic social psychology to the field of international relations.

Sterling H. Fuller
Texas Technological College

GEORGE L. HARRIS: *Jordan—Its People, Its Society, Its Culture*. New York, Grove Press, 1958. 246 pages. \$1.95.

This book is the second publication by the Human Relations Area File Corporation in a projected series, *The*

Survey of World Cultures, designed to provide an inexpensive library of the cultures of the world. Judged by this contribution, the series should be easily worth the nominal price charged, especially to the more than casual reader. The book is a compact yet comprehensive survey of conditions in Jordan and of the varying nature and impact of change.

The authors have attempted to integrate the diverse subjects of the social sciences into a single composite study. The worthy but difficult goal of an interdisciplinary study is well realized. A reader may note the lack of some details found in a more specific study in, for example, economics or history, but he will find the advantage of seeing Jordanian society in all its complexities. No one who has done research in this or similar areas of the world can fail to appreciate the shortcomings of analysis based on the typical "economic" or "political man" framework. Cultural, political, economic, and other problems are closely and complexly intertwined, a fact amply demonstrated throughout this book. Although education, history, politics, etc. are necessarily discussed in separate chapters, relevant ties are discussed with cross-references to related issues elsewhere in the text.

Presumably the different authors contributed specific chapters, but careful editing has provided vital continuity. An occasional repetition of facts occurs but not to a disturbing degree. No inconsistencies in facts were discernible in these occasional repetitions. However, variations in the method of rendering local terms and concepts into English did occur; some were transliterated while others were translated

in varying detail. A pronunciation or translation gazetteer would have been helpful, for example, in clarifying why a tribal confederation was called "Rwala" instead of "Ruwala."

Many readers will feel the absence of footnoting and reference citations to be a grave scholarly deficiency. A few other points may be questioned. For example, the stress on rainfall in determining the distribution of population and in causing the practice of fallowing half the land may be too exclusive of other considerations. Similarly, the claim that the consumer is not educated to appreciate advantages of graded commodities ignores the strong "shopper's instinct" found in these consumers and their supreme optimism in bargaining with a seller over both price and qualities. Further, the index figures cited on page 128 do not support the claimed increase, and the lack of vegetable-growing (p. 183) is not reconciled with the importance of vegetables as an export item (p. 176). Finally the writer might have noted, purely as a matter of emphasis, the failure to implement existing labor legislation or the unrelated existence of a double standard of morality for men and women.

In summary, readers from varied fields of interest will find this book both useful and stimulating. If the reader becomes confused or perplexed, it will be caused in part by the author's effective description of the ever-shifting and contradictory nature of events in Jordan.

Warren E. Adams
The University of Texas

JOHN D. MONTGOMERY (ed.): *Cases in Vietnamese Administration*. Saigon, Vietnam, National Institute of Administration, 1959. 481 pp.

"The case method of instruction," declares the editor of this volume, "is admirably suited to demonstrating both the uniqueness of a nation's administrative experiences and the universality of the fundamental problems of government." This book serves both these purposes and in addition contains material helpful in using these cases for study and instruction.

The book is divided into an Introduction, Part I consisting of twenty Vietnamese cases, Part II composed of four additional cases, and an Appendix. The Introduction, the third and fourth cases in Part II, and the Appendix are concerned with the purpose and utilization of the case method. It seems to the reviewer that this methodological material, reinforced by some further illustrations and suggestions for use of the case method as an instructional device, might better have made up the substance of Part II. This would seem to have been a more logical organization than the inclusion in Part II of two cases with an Indonesian and a Burmese setting, respectively. These two cases are insufficient to illustrate universality of administrative problems in government; and the Indonesian case, dealing as it does primarily with administrative relations among Americans, is of doubtful relevance to the collection.

Half a dozen or more cases paralleling those in Part I of this volume drawn from countries with roughly the same social, economic, and political circumstances as Vietnam would have in-

creased the value of the material for comparative purposes. An obvious reason for the inadequate selection of comparable cases from other countries is that such cases are not readily found. Nevertheless, several case-collection projects are or have been under way in a number of Southeast Asian countries, notably at the Institutes of Public Administration at the University of the Philippines in Manila and at Thammasat University in Bangkok, Thailand. A case-collection and case-writing project is now in effect in the Faculty of Economics at the University of Indonesia in Djakarta. These and other projects planned or already begun should provide, in the near future, instructive illustration of "both the uniqueness of a nation's administrative experiences and the universality of fundamental problems of government" for the countries of Southeast Asia. The development of comparable or paralleling cases in case collections may well be one of the products of the recently formed Eastern Regional Organization for Public Administration (EROPA).

The Vietnamese cases represent a major step forward in the accumulation of such comparative materials and the Michigan State University Vietnam advisory group and their Vietnamese counterparts and collaborators are to be congratulated in their efforts to produce and publish this work. Useful supplements to the volume, attached to the inside front cover, are organization charts of the central administration of the government of Vietnam and of its field administration and local government.

Lynton K. Caldwell
Indiana University

T. B. MASTON: *Segregation and Desegregation. A Christian Approach*. New York, The Macmillan Company, 1959. 178 pages. \$3.50.

This book is a critical evaluation from the Christian perspective of segregation and desegregation. The author addresses his remarks to Southern white Christians with the obvious purpose of convincing them that the patterns of racial segregation which they maintain knowingly or otherwise in their churches and in society at large are indefensible in the light of biblical teachings and Christian ethics.

In the first four chapters the author discusses the Supreme Court's desegregation decision and supplemental decree of 1954 and 1955 and the reactions of church groups to these pronouncements. He further clarifies some oft-confused terms relating to the whole problem—separation, segregation, desegregation, integration, and intermarriage. In the next four chapters he examines segregation from the viewpoint of biblical teachings and Christian ethics and assesses the effects of church segregation on Christianity in the United States and on foreign mission fields. In the final chapter the author presents his own personal convictions which constitute the conclusions toward which he had been leading his readers.

If one considers the author's position as professor of Christian ethics in a seminary maintained by Southern Baptists, the largest segregated denomination in the country, his conclusions seem remarkably unrestrained. Although he recognizes the problems involved in attempting to change a custom as deeply rooted as racial seg-

regation, he nevertheless does not permit the practical difficulties to compromise what he considers to be the Christian's responsibility dictated by Christian principles. His condemnation of segregation could hardly be stronger: "The Christian ideal would demand the elimination of all segregation, by law or custom, based on class or color. . . . The contemporary church cannot witness effectively to a world in sin, unless it rids itself of the sin of segregation within its own fellowship."

The author's "preacheristic" style and terminology will limit the appeal of this book, but there remains a vast potential reading public in the Southland (nine million Southern Baptists alone) who would not resent his language and technique and who might possibly be swayed by his logical and cogent arguments. It is to be hoped that this book will be read widely, not only by Southern Baptists, but also by other Southerners who profess to base their conduct on Christian principles, but who nevertheless comprise a large segment of the defensive bulwark against racial desegregation.

Rufus B. Spain
Baylor University

KARL W. DEUTSCH and LEWIS J. EDINGER: *Germany Rejoins the Powers; Mass Opinion, Interest Groups, and Elites in Contemporary German Foreign Policy*. California, Stanford University Press. 1959. 320 pages. \$6.50.

Essentially this study seeks to reveal the relative influence of various elites in the formation of West German foreign policy. Singled out for primary at-

tention are the elites within the federal executive, the major political parties, the diplomatic circle, the churches, the higher civil service, business, organized labor, the press and communications media, and the military. Utilizing the rather extensive public opinion samplings available in West Germany, the authors attempt to analyze the attitudes and influences of these elites within the context of the West German political culture, as reflected in widely shared values. Case studies are employed to demonstrate the functioning of these elites in the developing of policies on a number of specific issues, involving such matters as the European Coal and Steel Community, the European Defense Community proposal, NATO, the Paris Agreements, the reparations agreement with Israel, German unification, relations with the Soviet Union, and American economic assistance.

On the basis of their findings, the authors conclude that the "most influential single actor appears to have been the Chancellor, followed at a small distance by the cabinet and by the leadership group of the CDU, and at another distance by the diplomatic elite." The impact of the United States on West German foreign policy, while "considerable" and exceeding that of any other foreign country, has not matched that of the three domestic elites mentioned above. Of the other major foreign countries, France has had the greatest impact, the United Kingdom has had relatively little impact, and the Soviet Union has had only a negative impact on West German foreign policy. Associated with the three dominant domestic elites in the formation of foreign policy have been the Roman Catholic and higher civil service elites, both of

which have acted as influential supporters of the decisions taken by the dominant triad of elites. Bringing up the rear in the ranks of the influential elites are the big business leaders and the press elite; the military elite has not yet emerged as a major actor in the foreign policy process; and three elites, found in the hierarchies of the Social Democratic Party, the trade unions, and the Evangelical Church, have remained outside the inner circle of foreign policy-makers. However, it is noted that Adenauer's policy of acceding to the Israeli demand for reparations for the Jewish atrocities rested ultimately on Social Democratic support in the *Bundestag*.

An impressive array of public opinion data is assembled to suggest that prior to mid-1955 and excepting the unification issue, public opinion in Western Germany was not solidified to the extent necessary to affect substantially the decisions of the foreign policy-makers. Since that time, it is argued, public opinion has become a more pervasive factor in foreign-policy issues. Also, in the newly emerging pattern of foreign policy-making, the authors speculate that both the business and military elites might assume larger roles in the shaping of decisions. The last chapter represents an exceedingly competent and provocative discussion of the various foreign-policy issues likely to confront Western Germany in the near future and of the choices open to Western Germany in meeting these issues.

One need not agree entirely with the interpretations of the authors or their handling of some of the data to recognize here a significant contribution to the literature on West German political

processes. The most serious criticism that might be lodged against the authors is that in some parts of their study they are covering ground which has already been tilled, especially in *West German Leadership and Foreign Policy*, edited by Hans Speier and W. Philips Davison. Nevertheless, this study must be ranked alongside the Speier and Davison volume as a valuable source of information on West German politics.

Ronald F. Bunn
The University of Texas

ROBERT E. SCOTT: *Mexican Government in Transition*. Urbana, University of Illinois Press, 1959. 333 pages. \$5.75.

This book is an important addition to the literature dealing with government in Latin America. Using the Arthur Bentley "interest group" approach as a framework Scott presents a realistic picture of how the political process in Mexico operates as a dynamic mechanism for balancing the interests of the various groups in the country.

The book is simply organized. An introductory chapter presents Scott's thesis. Then follow chapters discussing Mexico's physical and social setting, the population, the Revolution, the development of the official party, how the party system operates, how the president is chosen, and how the presidency functions. In a final chapter the status and prospects of democracy are discussed.

The key to Mexico's political process is the "official" party now known as the Partido Revolucionaria Institucional (PRI). A product of the ferment

during the period after the Revolution, the PRI incorporates within its structure most of the politically active groups in the country and provides a mechanism through which the interests of the various groups are harmonized. Scott believes that even those interest groups which remain outside of the PRI (primarily the Catholic Church and the most important businessmen's organizations) are able to make their wishes felt through the machinery of the official party.

Scott's conclusion, based on the record of the past fifty years, is that Mexico in time will develop a solidly based democracy which will provide responsible and effective government for its population. Although the President of the Republic continues to have more power than any other Mexican, particularly as he is the one who names his own successor, he seems to do this now only after the sentiments of practically all of the articulate groups in society have been considered. The impression one gains from Scott's writings is that a person of a certain type seems to fit the need of the times. The President simply decides which individual most closely approximates the ideal candidate. The process seems to operate well enough so that the Mexican political system has been able to preserve stability and absorb the tremendous shocks fifty years of industrialization and "Westernization" have brought the country.

An index and an extensive bibliography increase the value of this book. It can be recommended highly to all seeking an understanding of the dynamic political process operating in Mexico.

Harry Kantor
University of Florida

RAY C. COLTON: *The Civil War in the Western Territories*. Norman, University of Oklahoma Press, 1959. 230 pages. \$5.00.

In this survey of the Civil War as it was fought in the "Intermountain West" (New Mexico, Arizona, Utah, and Colorado), Ray C. Colton describes the abortive Confederate invasion of the Western Territories. The Southern attempt to acquire this western domain was based on the desire to secure a corridor to the Pacific, to gain control of the rich mineral deposits of the area, and to seize the military installations and equipment therein belonging to the United States Army. Henry Sibley, commander of the Army of New Mexico, and John R. Baylor of Texas were the foremost Confederate leaders; the Union defense was conducted by E. R. S. Canby.

The invasion was begun in late July, 1861, and seemed destined for complete success. Several United States forts were taken and by February, 1862, the Southerners had occupied Tucson and had defeated the enemy in the Battle of Valverde, first major conflict in the area. On March 2, the rebels moved into Albuquerque, and their subsequent occupation of Santa Fe, eight days later, marked the high point of their advance.

The Union counterattack was in reality a two-pronged movement. One force moved south from Colorado and fought two important engagements with the invaders in March, 1862. The first took place on March 26 at Apache Canyon; the second occurred two days later at Glorieta. This latter battle, "the Gettysburg of the West," marked the turning point in western war and undoubtedly saved the area from Con-

federate conquest. Following these twin disasters, the Confederates moved back into Texas. A second Union advance from California arrived near Tucson in mid-April, 1862, and at the Battle of Picacho Pass, the "westernmost" battle of the war, drove the Confederates from their position in that area. By July, the last remnants of the Southern command had retreated to El Paso, bringing to an inglorious end the Confederate attempt to seize the West.

Colton's book is actually a triangular study. It is not only an account of the Civil War in the West; it is also a chapter in the story of the long struggle between the white man and the Indian and a description of territorial development in these crucial years. As such, it should prove equally interesting both to Civil War "buffs" and to students of the United States' western history.

Otis A. Singletary
The University of Texas

RAYMOND H. DAWSON: *The Decision to Aid Russia, 1941*. Chapel Hill, The University of North Carolina Press, 1959. 315 pages. \$6.00.

The recent negotiations concerning the Soviet Union's lend-lease debt give this book a certain timeliness. It is a detailed analysis of the decision to include U.S.S.R. in the lend-lease program. It attempts to portray the mutual interaction of policy-makers, opinion leaders, and general public opinion and the impact this political process had on the negotiations which occurred during the first ten months of 1941.

The book's principal theme is that "the decision to aid Russia . . . represented the shaping of foreign policy

along lines relatively less controversial than were offered by the alternatives . . ." President Roosevelt, who played a decisive role, was convinced that the defeat of Germany was necessary for American security. He also doubted that public opinion would allow military intervention. Aiding the U.S.S.R., although controversial, appeared to be one feasible way of working toward his goals. In addition, he felt it coincided with American security interests in the Pacific. This choice was made easier by the fact that Roosevelt and those who supported him underestimated Soviet capabilities and intentions. The public largely concurred in the President's decision. Throughout, Dawson's interpretations seem fair and balanced.

As a historical study the volume contributes most by bringing together the available data concerning this decision and adding depth to our knowledge of its domestic political aspects. Some unpublished materials that were consulted yielded little new information. The extensive treatment of public opinion through analyses of the views of opinion leaders, the mass media and polls, and the detailed examinations of congressional proceedings fill in a previously sketchy though accurate outline. But in concentrating on the domestic political process, Dawson occasionally ignores significant international events which affected this process. His analysis of the passage of the second lend-lease appropriation and of the defeat in the House of amendments designed to exclude the U.S.S.R. contains no mention of the German offensive and drive toward Moscow, which occurred at the same time.

The book can be considered also a

study in the formulation of foreign policy, and as such usefully supplements Bernard C. Cohen's *The Political Process and Foreign Policy: The Making of the Japanese Peace Settlement*. However, while it provides much valuable raw data, it contains few generalizations and also clearly indicates the need for further theoretical work. The connection between the separate elements of the political process and between these and the negotiations is not always made clear. And it does not seem correct to establish a dichotomy between the general pronouncements of congressmen and their role in systematic debates and hearings, treating the former as attempts "to influence policy" through public opinion and the latter as participation "in the policy-making process." Still, theoretical advances must necessarily rest on such basic studies as this.

Harold Karan Jacobson
University of Michigan

SEYMOUR MARTIN LIPSET: *Political Man: The Social Bases of Politics*. New York, Doubleday & Company, Inc., 1960. 432 pages. \$4.95.

Much of this book constitutes the third publication in an inventory of research in political behavior supported by grants from the Behavioral Sciences Division of the Ford Foundation. As such, it maintains the analytical quality and the valuable synthesis of data reflected in the two earlier contributions.

Lipset approaches questions of the maintenance of democratic politics as a political sociologist. To the relief of those of us in political science who have been disturbed by some of the older sociological treatments of the political

system, his is a penetrating contribution in which he postulates *conflict* as functional for the maintenance of democracy. Along with Talcott Parsons he sees political institutions as part of the social system as a whole, rather than as independent organisms. His central concern is with the conditions producing political consensus.

In his treatment of the function of consensus in the political system, Lipset considers a series of requisites or conditions of a democratic political order. He deals variously with the functions of economic development, legitimacy, elections, classes, and political parties.

The book is characterized by the inclusion of valuable empirical data, the major part of which is from surveys of voting behavior. The analysis is comparable to that which he previously supplied in his *Agrarian Socialism and Union Democracy*. The data analysis reflects several methodological innovations of considerable interest, particularly in connection with his cross-cultural analysis of statistical indices of wealth, industrialization, education, and urbanization. In this, as in other aspects of his analysis, the comparative, cross-cultural approach is employed, and this approach makes the book of particular value both to the behavioral scientist and the general reader.

In several special ways Lipset's book perceptively treats heretofore relatively untouched matters. His analysis of the conditions of working-class authoritarianism as a dilemma of democratic politics, his contribution to an understanding of the political behavior of different generations, and his further elaboration of the functions of trade union political processes for the main-

tenance of democracy in the general political system—all are special virtues of this product of his research. Scholars will find of particular interest his discussion, a part of which appeared in *Daedalus* last year, of the role of the intellectual in politics.

Samuel C. Patterson
Oklahoma State University

BYRON D. MURRAY: *Commonwealth of Americans: A Search for the Missing Chapters of Our Story*. New York, The Philosophical Library, Inc., 1959. 219 pages. \$3.75.

FREDERICK F. STEPHAN and PHILLIP J. MCCARTHY: *Sampling Opinions: An Analysis of Survey Procedure*. New York, John Wiley & Sons, Inc., 1958. 451 pages. \$12.00.

There could scarcely be two more different approaches to knowledge than Murray's *Commonwealth of Americans* and Stephan and McCarthy's *Sampling Opinions*.

Murray states that he is writing what is "correctly labeled, a history of ideas." Of methodology, he states: "If the strict history of ideas has its limitations because it tends to center upon only a few original thinkers; if the opinion poll and fact-assembling techniques of the anthropologist are promising but often short-sighted because of their over-objectivity; and if the scientific historian and the literary historian and the historian of other art forms are too special in their coverage, there yet remains the history of thought as measured by the ebb and flow or continuity of ideas 'consumed' by the people in succeeding generations." He finds fur-

ther that "the world of complex civilizations can hardly wait for the slow and uncertain yield" of such things as the "interview and questionnaire techniques."

Stephan and McCarthy have produced a competent, and often brilliant, summary of sampling in relation to surveys of opinion. They state that their book "is written for those who are concerned with methods of studying the opinions, attitudes, needs, and wants of various parts of the population. Over the past thirty years many surveys of opinion and studies of consumer demand have been made. Such surveys are being taken at the present time in great numbers. Important decisions in business and in government frequently hinge on their results. Important theoretical advances in psychology and the social sciences have been based upon data provided by sample surveys. Frequently the same survey serves both operational and scientific purposes." They further state that their book "represents a progress report and a description of the present state of many of the problems which have been considered, or which should be considered, by people with serious interests in the results of sampling surveys of opinions, attitudes, needs, and wants."

Murray's conclusion in *Commonwealth of Americans* is: "We have found that there is much more continuity in our central literary heritage than has been supposed. And if continuity in our literary heritage, continuity and a reasonable consistency in our thought and faith . . . translated . . . into the language of our theopolitical thought, our ideal of 'what both ought to be' becomes God and the kingdom of God.

Because both ourselves and our environment are involved, our religion becomes one which unites the personal gospel of redemption and the social gospel. We believe in faith and works as the two inseparable components of Christianity; and in keeping with what our empirical spirit tells us about life, we do not believe that any man solely by the power of his own faith and works can guarantee his election to an office either in this world or in the next. We believe, however, in the legitimacy of his effort, in the status of equality of every man as he runs the race, and in the likelihood that a just and merciful God has shaped in man a creature capable of drawing ever nearer to his ideal through total concern."

Stephan and McCarthy conclude in part in *Sampling Opinions*: "There is no simple rule book that suffices to guide the user of sampling procedures and their survey results. A patient analysis of the whole survey process is needed for the appraisal of the results. Though this may be done, at least in part, by users, it can only be done thoroughly and accurately by the producers of survey results. Hence it should be the regular practice of survey organizations to make a full analysis of the accuracy and characteristics of their results and to publish the principal facts developed by the analysis for the guidance of the users."

Of course it is unfair, in a way, to contrast *Commonwealth of Americans* with *Sampling Opinions*. Yet, in a perhaps deeper sense, such a contrast is both just and necessary. Does the search for truth involve contradictory methods with little or no chance of reconciliation? Is the search for truth in a condi-

tion of chaos? Or, do all in the search for truth need to broaden their perspectives?

Frederick C. Irion
University of New Mexico

MORRIS ZELDITCH, JR.: *A Basic Course in Sociological Statistics*. New York, Henry Holt and Company, 1959. 370 pages. \$6.50.

ERNEST KURNOW, GERALD J. GLASSER, and FREDERICK R. OTTMAN: *Statistics for Business Decisions*. Homewood, Illinois, Richard D. Irwin, Inc., 1959. 523 pages. \$7.25.

Some similarities will be observed in these books. In both the statement is made that the material deals with elementary statistics. Secondly, the problem material seems adequate and well related to each field. Finally, in both, at the end of each chapter a seemingly well-prepared summary section appears. At this point the similarity ends.

Zelditch makes the following statement: "This is probably among the most elementary of all elementary texts on statistics." Considering the book as a whole, the reviewer has many reservations regarding this statement. Many texts in the general statistics area qualify as being more "elementary" if the term may be taken to mean clarity of expression and over-all communicativeness to the reader. There is little doubt as to the validity of the material contained, or as to the particular treatment in terms of topics and continuity, but the question of whether the material is transmitted to the reader remains.

In Chapter 9, "Introduction to Statistical Inference," Zelditch does perhaps his best job. Material is presented

and explained in a manner much superior to the way it is presented and explained in other chapters.

Kurnow, Glasser, and Ottman, contending that their book differs from any other introductory text in the field, have approached the field of statistics from what they call a "behavioralistic" point of view. The reviewer agrees wholeheartedly with their contention. Their approach would be more or less revolutionary in the present-day college statistics courses with which the reviewer is acquainted. The first ten chapters represent an introduction to the problem of making decisions in business, and the final four consider "special" topics. Much of the traditional material in statistics courses, such as collection of data, is relegated to the last four chapters. Undoubtedly the day will come when statistics courses in colleges of commerce will take the same approach that this book does. At the present time, however, the reviewer is of the opinion that the material and approach is somewhat above the level of the typical group of commerce students. It would seem that if the proper level could be attained, the approach would be exactly what is needed. The authors have done an excellent job, and probably will be recognized as "pioneers" when the change-over to the new approach does develop.

James W. Parsons, Jr.
Baylor University

LOREN P. BETH: *The American Theory of Church and State*. Gainesville, University of Florida Press, 1958. 183 pages. \$4.50.

RAYMOND O. ROCKWOOD (ed.): *Carl Becker's Heavenly City Revisited*.

Ithaca, Cornell University Press, 1958. 227 pages. \$4.50.

FRANZ NEUMANN: *The Democratic and The Authoritarian State*. Glencoe, The Free Press, 1957. 303 pages. \$6.00.

These three books are united by a common theme: a concern with men's ideas about society and the state. Beth's work is a useful contribution to the study of the development of church-state relations in America laid against the background of our English inheritance. The author demonstrates that the problem is still with us but has evolved from one concerned with the protection of diverse Christian sects from each other to the question of the legitimacy of the utilization of state power to guard Christianity itself from the demands of non-Christian groups. Hence the basic struggle for freedom of religious opinion has not ceased to be pertinent in our times but is now expressed in different terms.

The author notes that since the passage of the Fourteenth Amendment, the United States Supreme Court has become the arbiter of state-church conflicts. Although the Court in recent years has laid down valuable guide lines in an attempt to maintain a "wall of separation," its decisions perforce must vary from case to case and are made in terms of the dominant philosophy of the court at a given time. Beth concludes that the American tradition of separation is desirable and that conflicts, when they arise, must ultimately be settled by the state—which means by the Supreme Court.

The book's timeliness lies in its clear statement of the evolution of the problem from English precedents, through

the colonial and revolutionary periods, and up to the present time. The discussion and rejection of alternate solutions, objectively presented, culminate in the author's plea for the maintenance of separation within the framework of a pluralistic society with the ultimate resolving power vested in the Federal Government.

Carl Becker's Heavenly City Revisited comprises a series of essays written in connection with a symposium held at Colgate University in 1956. Among the contributors, each of whom attempts a reassessment of Barker's thesis, there is general unanimity on the literary qualities and phenomenal popularity of Becker's book. At this point, however, agreement ceases and the majority of the authors assail Becker's work primarily on the grounds that it represents an oversimplification plus a deficiency in scholarly research. In short *Heavenly City* is great literature but poor history.

In defense of Becker it may be said that many of the criticisms are based upon new discoveries and research in the field of eighteenth-century ideas. For errors occasioned by the limitations of scholarly knowledge existing at the time when Becker wrote, he can hardly be blamed. That he did overstate his thesis and was careless in his use of available sources is undoubtedly true. It is, however, equally clear that Becker was aware of these defects and was unconcerned by them since he intended his work to be a stimulus to thinking on eighteenth-century problems rather than a definitive treatise. Because a position is overstated does not mean that it is necessarily lacking either in validity or insight. Considerable acumen is evident in Becker's insistence that the eight-

eenth-century thinkers were more deeply indebted to their medieval predecessors than they or we were willing to admit. To this extent Becker's book was, and is, a useful antidote to those historians who sought to make the eighteenth century a *nova species* in itself.

Much the same type of criticism that we are dealing with here has been directed against Beard's *Economic Interpretation of the Constitution*. Beard, however, despite his excesses, said something that needed to be said at the time, and its effects have been both salutary and constructive for our present generation of scholars. The same may be said of Becker. If nothing else, he opened up the eighteenth century to the gaze of innumerable undergraduates who might otherwise have passed it by. If his statement has resulted now in a better and more thorough appraisal of the age of the enlightenment, so much the more credit to him for having stimulated this research.

A valid excuse for reviewing at this late date a book published in 1957 is that it has so far failed to receive the recognition and attention its intrinsic merits warrant. Such a book is Franz Neumann's *The Democratic and The Authoritarian State* comprising a collection of articles and papers written by him during the period 1937-1954.

Neumann will be remembered as the author of *Behemoth*, one of the early and controversial interpretations of the rise of National Socialism. Together with Harold Laske, with whom he worked at the London School, Neumann defended the Marxian thesis that National Socialism was, on its economic side, the final stage of Capitalism.

In the present collection we find Neumann modifying to some degree his

position on economic determinism and seeking to find some satisfactory explanation for the rise of totalitarianism in Western Europe. This search has led him into an investigation of political ideas from which he emerges with a profound conviction of the value of political theory as a key to the understanding of historic situations. His incomplete paper entitled *Notes on Dictatorship* is a sketch of what was subsequently intended to be a full treatment of the problem of totalitarianism.

Throughout the essays Neumann's Marxian background is still evident. He maintains that behind any given historical situation lie objective laws which have conditioned its appearance and development. The task of the political theorist is that of properly apprehending and applying these laws as they manifest themselves in time.

The collection is stimulating because of its thoughtfulness, and rewarding reading because of its suggestiveness. Neumann was not allowed to fully develop his emerging thesis, but he has left us a prolegomenon which other scholars may now utilize. His deep concern with the problem of human freedom continues to challenge us to carry on the task he was unable to complete.

H. Malcolm Macdonald
The University of Texas

SCOTT GREER: *Last Man In: Racial Access to Union Power*. Glencoe, The Free Press, 1959. 189 pages. \$4.00.

Greer's analysis of power structure as a determination of ethnic relations within Los Angeles local labor unions offers an intellectual stimulus to all serious students of trade unionism. To

this reviewer, who is "an economist interested in labor," rather than a sociopolitical theorist, *Last Man In* appears as a most challenging analysis of organizational structure conditions as determinants of the effectiveness of ethnic participation in the trade union movement.

Upon the basis of intensive empirical analysis of twenty-eight International Unions in the Los Angeles labor market, Greer develops a theory of power of local union officials as such power is conditioned by the political structure of the local union. It would, perhaps, be appropriate to identify this book as a sociological interpretation of Ross's thesis "that a trade union is a political agency operating in an economic environment," for, according to Greer, "the individual union leader pays for his power by conforming to his role, reinforcing the role-system, and thus helping to secure the basic necessities of the union as an organization."

Greer is concerned with the role system into which the ethnic labor leader moves; he finds analysis of the control structure of the local union necessary "in order to relate participation and representation to the action of the union as an ongoing, organized group." The success of the ethnic member of a local union in gaining access to union power is conditioned by the structure of the union organization, i.e., whether it is a craft (or one-job) local or an industrial local, the extent to which it is dominated by the International or the membership, and the nature of its internal political organization.

A plant-wide (industrial) local, exhibiting an "organizational middle class," presents the greatest opportunity for ethnic members to achieve power

and to change their status. Ethnic issues are rarely important in International-dominated locals, in which the leaders are insulated from the opinions and interests of their members. The issues are latent in Hall-oriented locals, the leaders of which accept the going pattern of racial discrimination and enforce it through organizational policy.

The organizational middle class is a self-selected active minority of members who mediate between the top leaders and the membership and who possess some understanding of staff actions and policy but also have an insight into the general thinking and feelings of the membership. The organizational middle class will generate power in locals where consent of the membership as a whole is necessary to the survival of the organization, and the importance of this middle class will increase as the situation forces the staff to engage the membership in union action. The ethnic union member can and will participate in the functioning of the organization if the union exists for the rank-and-file member at the job level.

In the opinion of this reviewer, Greer has demonstrated clearly that "the organizational middle class is the key structural prerequisite for reciprocal control," that such control is more likely in locals with plant-unit organizations, and that executive boards of plant-unit locals are more directly representative of the members.

This book deserves the attention of all social scientists who seek to understand the operation of socio-political forces within the trade union. In addition, it should prove to be well worth the reading time to trade union officials.

E. E. Liebbafsky
Texas A. and M. College

EDWIN ADAMS DAVIS: *Louisiana, The Pelican State*. Baton Rouge, Louisiana State University Press, 1959. 356 pages. \$4.95.

This volume will be welcomed by those readers who desire a balanced account of the important facts and events of the state of Louisiana. It goes far toward filling the need for a volume of reasonable length with the essential facts and a scholarly interpretation. This reviewer has repeatedly called for Louisiana's past to be written by historians instead of by publicists, who glamorized and distorted it in the form of fiction. The novelists have their place and they have done an excellent job in advertising the state and in creating an interest in its past. It is time, however, for the facts to be made available in their true perspective.

Davis begins by describing the physical features of the state as a desirable habitat for man. His coverage of the Indian, Spanish, French, and American periods form a balanced picture of the whole story. His treatment of the various facets of life—economic, political, religious, educational, and cultural—without unduly emphasizing either, is the strongest feature of the book. The numerous anecdotes, folk tales, and folk songs make the book immeasurably more meaningful. This is true, likewise, of the excellent selection of threescore illustrations.

Davis devotes 128 pages to the period before 1803, roughly two hundred and sixty years, and 225 pages for the period, 1803 to 1959, which is in accordance with the events and their importance, in the opinion of the reviewer.

Minor errors can usually be found and the volume under consideration is

no exception. The Red River valley has red sticky mud and not "black." "In 1886 the Louisiana State University was moved to the old United States military barracks at Baton Rouge," whereas evidence exists that it was there in 1878. Huey P. Long remained governor until January, 1932, instead of 1931, as stated. In naming the colleges founded after 1880, the New Orleans Baptist Theological Seminary, Grambling College, Southeastern Louisiana College, Northeast Louisiana State College, McNeese State College, and Francis T. Nicholls State College might have been listed. In listing the institutions offering graduate degrees, Northwestern State College, Southwestern Louisiana Institute, and Louisiana Polytechnic Institute were omitted.

Davis, an adopted son of the state, has given us a balanced picture of Louisiana's past in a clear and readable style that should serve the needs of readers of general history.

The Louisiana State University Press has upheld its splendid reputation for quality production in manufacturing.

Garnie W. McGinty
Louisiana Polytechnic Institute

Other Books Received

June, 1960

Abernethy, Byron R.: *Constitutional Limitations on the Legislature*. Lawrence, University of Kansas, Governmental Research Series No. 20. 108 pages, n.p.

Barksdale, E. C.: *The Meat Packers Come to Texas*. No. 7 in Texas Industry Series. Austin, University of Texas, Bureau of Business Research, 1959. 36 pages. \$1.00.

- Barnett, H. G.: *Being a Palauan*. (Spindlen Series, Monograph [5]), New York, Henry Holt and Company, Inc., 1960. 88 pages. \$1.25.
- Beattie, John: *Bunyoro, An African Kingdom*. (Spindlen Series, Monograph [5]), New York, Henry Holt and Company, Inc., 1960. 86 pages. \$1.25.
- Bell, Daniel: *The End of Ideology—On the Exhaustion of Political Ideas in the Fifties*. Glencoe, Ill., The Free Press, 1960. 416 pages. \$7.50.
- Bendix, Reinhard: *Max Weber, An Intellectual Portrait*. New York, Doubleday & Company, Inc., 1960. 480 pages. \$5.75.
- Blair, Calvin Patton: *Fluctuations in United States Imports from Brazil, Columbia, Chile, and Mexico, 1919–1954*. University of Texas, Bureau of Business Research, 1959. 225 pages. \$2.00.
- Bredemeier, Harry C., and Jackson Toby: *Social Problems in America*. New York, John Wiley & Sons, Inc., 1960. 510 pages. \$6.75.
- Canavan, Francis P.: *The Political Reason of Edmund Burke*. Durham, N.C., Duke University Press, 1960. 222 pages. \$5.00.
- Canfield, Bertrand R.: *Public Relations Principles Cases and Problems*. 3d ed., Homewood, Ill., Richard D. Irwin, Inc., 1960. 617 pages. \$7.50.
- Chamberlin, Waldo (ed.): *Annual Review of United Nations Affairs, 1957–1958*. New York, Oceana Publications, 1959. 248 pages. \$6.00.
- Conkin, Paul K.: *Tomorrow A New World*. New York, Cornell University Press, 1959. 349 pages. \$6.00.
- Converse, Paul D.: *Fifty Years of Marketing in Retrospect*. Austin, University of Texas, Bureau of Business Research, 1959. 104 pages. \$1.50.
- Dirksen, Charles J., and Arthur Kroeger: *Advertising Principles and Problems*. Homewood, Ill., Richard D. Irwin, 1960. 541 pages. \$7.25.
- Fein, L. J., and Frederick Stackable: *The Subpoena Power of the Attorney General: A Review*. East Lansing, Michigan State University, Bureau of Social and Political Research, 1959. 29 pages. n.p.
- Fitzsimons, M. A., and Stephen D. Kertesz: *Diplomacy in a Changing World*. Indiana, University of Notre Dame Press, 1959. 407 pages. \$7.50.
- Fox, William T. R. (ed.): *Theoretical Aspects of International Relations*. Indiana, University of Notre Dame Press, 1959. 118 pages. \$3.25.
- Fulcher, Walter: *The Way I Heard It*. Austin, University of Texas Press, 1959. 87 pages. \$2.75.
- Fujisawa, Chikao: *Zen and Shinto*. New York, Philosophical Library, Inc., 1959. 92 pages. \$2.75.
- Grew, Frederick, J.: *Wealth and the Common Man*. New York, Philosophical Library, Inc., 1959. 184 pages. \$3.75.
- Hanke, Lewis: *Mexico and the Caribbean*. Vol. I of *Modern Latin America Continent in Ferment*. 2 vols. Princeton, N.J., D. Van Nostrand, Inc., 1959. 192 pages. \$1.25.
- Hart, C. W. M.: *The Tiwi of North Australia*. (Spindlen Series, Monograph [5]), New York, Henry Holt and Company, Inc., 1960. 118 pages. \$1.25.

- Havard, William C.: *Henry Sidgwick and Later Utilitarian Political Philosophy*. Gainesville, University of Florida Press, 197 pages. \$4.50.
- Hoebel, E. Adamson: *The Cheyennes, Indians of the Great Plains*. (Spindlen Series, Monograph [5]), New York, Henry Holt and Company, 1960. 104 pages. \$1.25.
- Korean Report. Vol. VI. Washington 6, D.C., Korean Research and Information Office, 1958. 183 pages. n.p.
- Kuznets, Simon: *Six Lectures on Economic Growth*. Glencoe, Ill., The Free Press, 1960. 122 pages. \$3.50.
- Landy, David: *Tropical Childhood—Cultural Transmission and Learning in a Rural Puerto Rican Village*. Chapel Hill, University of North Carolina Press, 1959. 291 pages. \$6.00.
- Legislative Research Commission: *Criminal Procedure: Evidence*. Frankfort, Commonwealth of Kentucky, 1959. n.p.
- : *Criminal Procedure: Arraignment and Pleadings*. Frankfort, Commonwealth of Kentucky, 1959. n.p.
- : *Justices of the Peace*. Frankfort, Commonwealth of Kentucky, 1959, n.p.
- : *Criminal Procedure: The Grand Jury System and Other Methods of Prosecution*. Frankfort, Commonwealth of Kentucky, 1959, n.p.
- : *Second Report of the Advisory Committee on Metropolitan Government*. Information Bulletin No. 27. Frankfort, Commonwealth of Kentucky, 1959. 20 pages. n.p.
- : *Model State Banking Code*. Research Publication No. 90. Frankfort, Commonwealth of Kentucky, 1959. n.p.
- Lerner, Daniel (ed.): *Evidence Inference*. Glencoe, Ill., The Free Press, 1960. 164 pages. \$4.00.
- Lewis, Oscar: *Tepoztlan, Village in Mexico*. (Spindlen Series, Monograph [5]), New York, Henry Holt and Company, Inc., 1960. 104 pages. \$1.25.
- Lovejoy, Arthur O.: *Essays in the History of Ideas*. New York, G. P. Putnam's Sons, Capricorn Books, 1960. 359 pages. \$1.45.
- Martindale, Don: *American Social Structure—Historical Antecedents and Contemporary Analysis*. New York, Appleton-Century-Crofts, Inc., 1960. 521 pages. \$6.00.
- Nietzsche, Friedrich: *Unpublished Letters*. New York, Philosophical Library, Inc., 1959. 156 pages. \$3.75.
- Parsons, Talcott: *Structure and Process in Modern Societies*. Glencoe, Ill., The Free Press, 1960. 344 pages. \$6.00.
- Peterson, Wallace.: *The Welfare State in France*. Lincoln, University of Nebraska Press, 1960. 115 pages. \$1.50.
- Pollack, Emanuel: *The Kronstadt Rebellion*. New York, Philosophical Library, Inc., 1959. 98 pages. \$3.00.
- Proceedings of the First Institute for Tax Assessors*. Austin, University of Texas, Institute of Public Affairs, 1959. 104 pages. n.p.
- Reissman, Leonard: *Class in American Society*. Glencoe, Ill., The Free Press, 1960. 436 pages. \$6.75.
- Rhode, William E.: *Committee Clearance of Administrative Decisions*.

- East Lansing, Michigan State University, College of Business and Public Service, 1959. 72 pages. n.p.
- Rienow, Robert: *New York State and Local Government*. 2d rev. Albany, State University of New York, Bureau of Secretarial Curriculum, 1959. 239 pages. n.p.
- Rohrer, John H., and Munro S. Edmonson (eds.); Harold Lief, Daniel Thompson, and William Thompson (co-authors): *The Cultures and Personalities of New Orleans Negroes*. New York, Harper & Brothers, 1960. 346 pages. \$6.00.
- Sayre, Wallace S., and Frederick C. Mosher: *An Agenda for Research in Public Personnel Administration*. National Planning Association, Washington, D.C., 1959. 64 pages. \$1.50.
- Schubert, Glendon A.: *Quantitative Analysis of Judicial Behavior*. (Bureau of Social and Political Research, Michigan State University), Glencoe, Ill., The Free Press, 1960. n.p.
- Schwartz, Mortimer D., and John C. Hogan: *Joseph Story: A Collection of Writings by and about an Eminent American Jurist*. New York, Oceana Publications, Inc., 1959. 228 pages. \$5.00.
- The Selection of Offenders for Probation*. New York, United Nations Department of Economic and Social Affairs, 1959. 66 pages. \$.50.
- Stoutenbrough, John, Jr.: *Dictionary of the American Indian*. New York, Philosophical Library, Inc., 1960. 461 pages. \$10.00.
- Verney, Douglas V.: *Analysis of Political Systems*. Glencoe, Ill., The Free Press, 1960. 239 pages. \$6.75.
- Wilcox, Clair, and Joseph Wharton: *Public Policies Toward Business*. Rev. ed. Homewood, Ill., Richard D. Irwin, Inc., 1960. 908 pages. \$8.00.
- Witman, S. L., and J. J. Wuest: *Visual Outline of Comparative Government*. Paterson, N.J., Littlefield, Adams & Company, 1959. 260 pages. \$1.95.
- Young, Roland, and Henry A. Frobroke: *Smoke in the Hills: Political Tension in the Morogoro District of Tanganyika*. Evanston, Ill., Northwestern University Press, 1960. 212 pages. \$3.50.
- Zietz, Dorothy: *Child Welfare: Principles and Methods*. New York, John Wiley & Sons, Inc., 1959. 384 pages. \$5.50.
- Zook, Paul D.: *Economic Development and International Trade*. Dallas, Southern Methodist University Press, 1959. 134 pages. \$3.00.

The Association: Proceedings of the 1960 Convention

Minutes of the Executive Council, Southwestern Social Science Association, Saturday, April 16, 1960, 9:15 a.m., Statler Hilton Hotel, Dallas, Texas

The meeting was called to order by President Arbingast. Officers present were as follows: Stanley A. Arbingast, Walter T. Watson, Harry E. Moore, James M. Owen, Lorrin Kenamer, James A. Tinsley, Chester A. Lay, J. Wm. Davis. Section chairmen present were: Horace R. Brock, James Plaxico, Robert T. Miller, Charles C. Bajza, L. Doyle Bishop, and Alvin L. Bertrand.

President Arbingast introduced Dr. Lorrin Kenamer as the new General Program chairman, and Dr. J. William Davis as Convention chairman in Charge of Local Arrangements.

President Arbingast then pointed out that an earlier selection of the Statler Hilton Hotel as the host hotel for the 1961 Annual Convention was subject to confirmation at this meeting. Dr. Moore moved that the designation of the Statler Hilton Hotel be confirmed. This motion, duly seconded, carried.

Dr. Davis suggested that since the selection of the location of the 1962 Annual Convention would probably be made by this Executive Council, its members should attempt to be informed on possibilities prior to the next annual meeting. Following general discussion of the matter, President Arbingast ap-

pointed Dr. Brock to assemble information on possible meeting places and the facilities of each.

Dr. Moore then led in discussion of the publication of a supplement to the *QUARTERLY*. Following general discussion of the matter, Dr. Megginson moved that a supplement be published during the coming year. This motion, duly seconded, carried.

Following discussion of institutional memberships in the Association, Dr. Arbingast appointed Dr. Bertrand (chairman) and Dr. Plaxico to serve as a committee to study institutional memberships and render a report at the next meeting of the Executive Council.

President Arbingast announced that an Editor of the *QUARTERLY* and a Secretary-Treasurer should be elected for the coming year. Following motions by Dr. Megginson, Dr. Moore was elected Editor and Dr. Owen was elected Secretary-Treasurer. Dr. Megginson also moved that Life Membership be extended to Dr. Moore in accordance with the provision in the Association's Constitution authorizing life membership to editors who have served for three years. This motion, duly seconded, carried.

Following general discussion regard-

ing publicity and arrangements for the Annual Convention, President Arbingast asked the Secretary to prepare a summary of information regarding the two-to-one practice of meeting in Dallas and in a periphery location as disclosed by the Association Constitution, By-laws, and Minutes.

President Arbingast then urged the Section chairmen to encourage those attending their sections to join the Association. He read a letter received from Dr. Bishop, Chairman of the Management Section, which stated that the Southwest Management Association had voted to reduce its annual dues to \$2.00 to encourage its members to be-

come members of the Southwestern Social Science Association also. In addition, the Southwest Management Association provided a list of its members with the suggestion that they be invited to join the Southwestern Social Science Association.

Dr. Moore announced that Dr. Sear's presidential luncheon address will be printed in the *QUARTERLY*, and asked that those desiring reprints send in their orders as early as possible to aid in determining the number to be ordered.

The meeting adjourned at 10:34 A.M.

JAMES M. OWEN
Secretary-Treasurer

Minutes of the General Business Meeting, Southwestern Social Science Association, Saturday, April 16, 1960, 8:00 a.m., Statler Hilton Hotel, Dallas, Texas

The meeting was called to order by President Alfred B. Sears. It was moved and seconded that the minutes of the last meeting be approved as reported in the June, 1959, issue of the *QUARTERLY*. Motion carried.

President Sears then pointed out that copies of the Treasurer's financial statement for the fiscal year ending February 29, 1960, had been distributed to all members present and that Professor Dale Armstrong, chairman of the Auditing Committee, had submitted a favorable report covering this statement to the Executive Council. Upon motion by Dr. Lang, duly seconded, the Treasurer's report was approved.

President Sears announced that the Executive Council had selected Dallas as the location for the 1961 Annual Convention.

Dr. James A. Tinsley, General Pro-

gram chairman, reported that revenue to the Association from the sale of thirteen pages of advertising in the *Convention Program* and from seventeen exhibits will amount to approximately \$1,600. He stated that exhibitors were generally well-pleased with the exhibit space available to them.

Dr. J. William Davis, chairman of Local Arrangements, stated that he had received excellent cooperation from the host hotel in making arrangements, and asked for suggestions and any complaints concerning the arrangements and facilities.

Dr. Davis also asked for consideration of the location of the annual convention each year, with particular reference to the practice of meeting two years in Dallas and the third year in a periphery location. In the course of general discussion on this point, Dr. Sydney

Reagan moved that it be reported as the sentiment of the group present that the two-to-one practice be followed under normal circumstances but that the final decision be made by the Executive Council. Following discussion on this motion, Dr. G. W. McGinty moved, as a substitute motion, that no action be taken on the matter and that it be left entirely up to the Executive Council. This motion, duly seconded, carried.

Dr. Leon C. Megginson, as Second Vice-President and Chairman of Membership, reported that letters had been sent to all nonmembers who registered at the 1959 Annual Convention, inviting them to become members, and that letters had been sent to all members of the Association urging them to contact their colleagues regarding membership. Approximately sixty new members could be identified directly with these efforts. Upon motion by Dr. Davis, this report was accepted.

Dr. H. R. Mundhenke, Chairman of the Endowment Committee, stated that his committee had no report.

Dr. Rupert N. Richardson, chairman of the Resolutions Committee, presented resolutions commending the officers of the Association for their work during the year and expressing appreciation to the Statler Hilton Hotel and others for the hospitality extended for the meeting. These resolutions were unanimously adopted and become a part of the file copy of these minutes.

Dr. William T. Hagan, chairman of the Constitutional Amendments Committee, stated that his committee had no report.

Dr. Harry E. Moore presented a written report as Editor of the QUARTERLY

and stated that rather than read the report in detail he would simply invite the submission of more good articles for the QUARTERLY. His written report is attached to the file copy of these minutes.

Dr. Wilbur L. Perkins reported in behalf of Dr. George T. Walker, chairman of the Institutional Membership Committee. The report stated that thirteen institutional memberships amounting to \$325 had been secured during the year. These institutions were located as follows: Texas, four; Arkansas, one; Oklahoma, two; and Louisiana, six. The report stated that some suggestions had been received concerning the discontinuance of institutional memberships. The report, however, made no recommendation, stating that the decision is one for the Association or the Executive Council.

Following general discussion on the matter of institutional memberships, Dr. Paul T. Hendershot moved that the subject be tabled until a study could be made by the Executive Council and a report rendered at the next general business meeting. Dr. Marion B. Smith offered a substitute motion that a study of institutional memberships be made by the Executive Council and the Executive Council then be authorized to act. This motion, duly seconded, carried.

President Sears then called on Dr. Carl M. Rosenquist for the report of the Nominating Committee. The following nominations were made by the Committee: President, Stanley A. Arbingast; First Vice-President, Leon C. Megginson; Second Vice-President, George T. Walker. It was then moved and sec-

ended that these be elected. The motion carried unanimously.

President Sears then asked Secretary

Owen to report on the officers elected in the various sections. These were reported as follows:

Accounting:

Chairman: Horace R. Brock, North Texas State College

Associate Editor: Richard Homburger, University of Wichita

Agricultural Economics:

Chairman: James Plaxico, Oklahoma State University

Associate Editor: Fred Wiegmann, Louisiana State University

Business Administration:

Chairman: Doyle L. Calton, Baylor University

Associate Editor: Edwin Becht, University of Houston

Business Research:

Chairman: Alfred Dale, University of Texas

Associate Editor: Alfred Dale, University of Texas

Economics:

Chairman: John N. Fry, University of Houston

Associate Editor: John L. Wortham, Texas Christian University

Geography:

Chairman: John W. Morris, University of Oklahoma

Associate Editor: Yvonne Phillips, Northwestern State College of Louisiana

Government:

Chairman: Robert T. Miller, Baylor University

Associate Editor: John M. Claunch, Southern Methodist University

History:

Chairman: G. C. Fite, University of Oklahoma

Associate Editor: J. A. Haddick, University of Houston

Management:

Chairman: L. Doyle Bishop, University of Oklahoma

Associate Editor: William H. Keown, University of Oklahoma

Sociology:

Chairman: Alvin L. Bertrand, Louisiana State University

Associate Editor: H. J. Friedsam, North Texas State College

President Sears then expressed his appreciation for the coöperation he had received during his term of office and declared the meeting adjourned at 9:05 A.M.

JAMES M. OWEN
Secretary-Treasurer

Minutes of the Executive Council, Southwestern Social Science Association, Thursday, April 14, 1960, 8:00 p.m., Statler Hilton Hotel, Dallas, Texas

The meeting was called to order by President Alfred B. Sears. Those present were as follows: Alfred B. Sears, Stanley A. Arbingast, Leon C. Megginson, Harry E. Moore, James M. Owen, Walter T. Watson, James A. Tinsley, Chester F. Lay, J. William Davis, Dale Armstrong, Carl M. Rosenquist, and the following Section chairmen: John F. Haltom, Charles C. Bajza, Sydney C. Reagan, Howard C. Nudd, Ethelyn Davis, and Henry Meenen.

President Sears announced that invitations had been received from several cities and hotels for the next annual meeting of the Association. He called on Dr. Davis to present the following hotel representatives: Mr. Lincoln Smith, Baker Hotel in Dallas; Mr. George Smith, Hotel Adolphus in Dallas; Mr. Larson, Statler Hilton Hotel in Dallas; Mr. Parks, Stephen F. Austin Hotel in Austin; Mr. De Renouard, Shamrock Hilton Hotel in Houston; and Mr. Jacobs, Hilton Hotel in San Antonio. Each extended invitations for the 1961 annual meeting and described the facilities available at his hotel.

Following general discussion of possible locations for the 1961 meeting, Dr. Arbingast moved to postpone the selection of the location until the meeting of the Executive Council on Saturday morning. The motion failed. Dr. Nudd then moved that the 1961 meeting be held in Dallas. This motion, duly seconded, carried. Following general discussion of the selection of the host hotel, Dr. Tinsley moved that the Statler Hilton Hotel be selected. Seconded,

this motion carried. Later in the meeting it was generally agreed that this action would be subjected to confirmation at the meeting of the Executive Council on Saturday.

Dr. Davis then asked for consideration of the practice of holding the Annual Convention of the Association in Dallas for two years and then in a periphery location the third year. Following discussion, Dr. Megginson moved that the Executive Council not be required to follow such procedure. This motion, duly seconded, carried.

Upon motion by Dr. Reagan, duly seconded, the minutes of the last meeting of the Executive Council were approved as published in the June, 1959, issue of the *QUARTERLY*.

President Sears then called on Dr. Davis to report on local arrangements for the meeting. Dr. Davis stated that he had received good cooperation from the hotel in making arrangements and stated that he would be happy to receive suggestions and complaints regarding the arrangements and facilities.

At the request of Dr. Sears, Dr. Owen distributed the Treasurer's financial report for the fiscal year ending February 29, 1960, and Professor Armstrong presented the report to the Auditing Committee. Upon motion by Dr. Watson, duly seconded, these reports were accepted. Copies of these reports are attached to the file copy of these minutes.

Dr. Moore then presented his report as Editor of the *QUARTERLY*. A copy of the complete report is attached to

the file copy of these minutes. Dr. Moore asked for discussion on the publication of a supplement to the QUARTERLY, pointing out that the supplement published during the past year had cost approximately \$1,500, the funds being provided by a special grant from the University of Texas. Following general discussion concerning the supplement and possible increase in the number of articles in the regular issues of the QUARTERLY, Dr. Nudd moved that no supplement be issued during the coming year and that the number of articles in the QUARTERLY not be increased. Following discussion on this motion, Dr. Arbingast moved to table Dr. Nudd's motion until the next meeting of the Executive Council. This motion, duly seconded, carried.

Dr. Sears then called on Dr. Tinsley to report as General Program chairman. Dr. Tinsley thanked the section chairmen for the excellent programs each had arranged and for the cooperation he had received from them during the year. He stated that revenue to the Association from thirteen pages of advertising in the Annual Convention *Program* and from seventeen exhibits at the meeting totaled approximately \$1,600. He also stated that he had sent news releases regarding the meeting to the public relations officers of schools represented. Several of those present com-

mented that these releases had resulted in good publicity in their areas.

Dr. Megginson, as Membership chairman, reported that he had sent letters to the nonmembers who registered for the 1959 Convention, inviting them to become members. He also sent letters to all members of the Association, suggesting that they contact their colleagues. Approximately sixty new members could be identified directly with these efforts.

Dr. Arbingast asked that each section chairman urge the members in his section to buy luncheon tickets before 9:30 A.M. on Friday morning. He pointed out that the price of the luncheon tickets was \$3.15, but that the cost to the Association might be slightly less. Dr. Reagan moved that any difference go into the general funds of the Association rather than attempt refunds to individual members. This motion, duly seconded, carried.

Relative to the election of officers in each section, Dr. Megginson pointed out that in the past some of the section officers were not members of the Association. President Sears urged all section chairmen to announce in their sections that only association members may serve as section officers.

With no further business at hand, the meeting adjourned at 10:10 P.M.

JAMES M. OWEN
Secretary-Treasurer

Secretary-Treasurer's Report, Southwestern Social Science Association, Comparative Statement of Cash Receipts and Disbursements for the Years Ending February 29, 1960, February 28, 1959, and February 28, 1958.

<i>Cash receipts from:</i>	1960	1959	1958
Individual memberships	\$2,173.75	\$3,085.75	\$2,436.50
Library memberships	1,059.75	1,079.00	875.05
Institutional memberships	325.00	-----	10.00
Sales of back issues of QUARTERLY	125.00	41.25	9.25
Display space at Convention	945.00	610.00	490.00
Advertising in Annual Program	280.00	205.00	380.00
Advertising in QUARTERLY	553.34	130.00	316.67
Receipts from luncheon tickets	418.00	327.50	217.80
Sale of reprints	158.95	278.20	229.45
Interest	93.73	-----	-----
Miscellaneous	14.00	33.35	10.96
Total cash receipts	\$6,146.52	\$5,790.05	\$4,976.13

Cash disbursements for:

QUARTERLY Expenses:

Printing issues	\$2,497.57	\$2,547.25	\$2,475.70
Reprints	225.60	471.75	-----
Editor's petty cash expenses	124.97	113.55	94.91
Wrappers	42.23	12.00	37.74
Net QUARTERLY expense¹	\$2,890.37	\$3,144.55	\$2,608.35

Convention Expenses:

Printing programs	\$ 335.64	\$ 176.40	\$ 128.75
Expenses of General			
Program Chairman	48.57	27.20	3.30
Luncheon	404.25	327.50	217.80
Registration expense	21.85	20.61	24.90
Total Convention expenses	\$ 810.31	\$ 551.71	\$ 374.75

¹ For the year ending February 29, 1960, the subsidy received from the University of Texas for the QUARTERLY totaled \$5,900, including a special \$2,000 award from the Excellence Fund. Total subsidies received for years ending February 28, 1959, and 1958 amounted to \$3,900 and \$3,800, respectively. The total cost of the QUARTERLY for each of the last three years may be summarized as follows:

	Feb. 29, 1960	Feb. 28, 1959	Feb. 28, 1958
Payments by the Association	\$2,890.37	\$3,144.55	\$2,608.35
Subsidy from the University of Texas	3,900.00	3,900.00	3,800.00
Total cost	\$6,790.37*	\$7,044.55	\$6,408.35

* Includes cost of the special supplement issued, paid for entirely from the \$2,000 special grant from the Excellence Fund.

Expenses of Secretary-treasurer:

Postage	\$ 68.00	\$ 48.80	\$ 40.06
Stationery and office supplies	107.66	52.19	20.00
Clerical expense	69.50	207.80	330.01
Membership Committee	92.56	-----	-----
Miscellaneous	25.00	29.29	4.00
Total expenses of Sec'y-treas.	<u>\$ 362.72</u>	<u>\$ 338.08</u>	<u>\$ 394.07</u>
Total cash disbursements	<u>\$4,063.40</u>	<u>\$4,034.34</u>	<u>\$3,377.17</u>
Excess of receipts over disbursements	\$2,083.12	\$1,755.71	\$1,598.96
Add: cash balance at beginning of year	6,638.16	4,882.45	3,283.49
Cash balance at end of year ²	<u>\$8,721.28</u>	<u>\$6,638.16</u>	<u>\$4,882.45</u>

Membership summary:

	Feb. 29, 1960	Feb. 28, 1959
Individuals	507	524
Libraries	230	238
Institutions	13	-----

Report of the Editor, Southwestern Social Science Quarterly

One of the more pleasant aspects of the editorship of the SOUTHWESTERN SOCIAL SCIENCE QUARTERLY really has nothing to do with editing the journal at all. It is the awareness that this somewhat obscure journal demands enough respect to be found on the reading tables of libraries around the earth as well as in the more respected colleges and universities in this nation. When an order comes from Argentina, or Hong Kong, or Belgium or Finland, the question rises "What do people in such places find of value in this journal?" Or when one of the oldest small colleges in this nation writes "Please send us all available back issues" we are a bit inclined to think that we are associated

with a publication of some recognized merit.

But when we look over the membership reports, and rosters, of the Association, our ego shrinks to normal and we are forced to ask ourselves "What is it we are not giving the Social Scientists of the Southwest?" And when we publish an article we are sure will be recognized as expressing a new and vital idea—and have not one comment from any reader—we wonder to what use the social scientists who receive the QUARTERLY put it.

But these are the things we usually think about between 2:00 and 4:00 A.M. after having dined injudiciously. Usually we are concerned with the more

² The total cash balance at February 29, 1960, is located as follows:

Louisiana National Bank, Baton Rouge, Louisiana	\$4,602.55
Baton Rouge Savings and Loan Association	4,093.75
Petty Cash Fund held by Editor of QUARTERLY	25.00
Total	<u>\$8,721.28</u>

normal activities of getting the next issue out approximately on time, of finding a new way of saying "No" without offending, of doing the routine work of the job.

The added allocation of funds by the University of Texas made editing Volume 40 much more rewarding in that "No" was said less often and that at least one paper was published from each of the ten disciplines making up the Association. Unfortunately, the added appropriation was not renewed, posing the problem of whether the Association wishes to cut into its small accumulation of funds to continue this extra number or not. The total cost of the Volume 40 supplement was approximately \$1,500 and it is obvious that to increase the budget for the QUARTERLY by this amount would soon exhaust the funds built up over the past several years.

The financial facts of the QUARTERLY publication costs are to be seen in the report of the Secretary-Treasurer, and will not be repeated here.

Because of the supplement, the total number of articles published during the year rose to thirty-four—nine more than for the previous year. This increase is all accounted for in the supplementary issue, it should be noted. Division of the published articles among the various disciplines was also affected by publication of the supplement, but not significantly. Each discipline had a minimum of one paper published, but during the preceding year this was true of all but one subject area. Only one paper appeared from each of three sections; in 1958-59 all

sections save two had two or more papers to appear.

As has been true for some years, the bulk of the manuscripts received came from economics and government, with history and sociology also well represented. Geography submitted more papers during the year than in the past. But the business disciplines maintained their aloofness.

As usual more of the published papers came from Texas than from any other state. Six Texas institutions were represented. But the largest number of papers from any one school—four—came from Louisiana State University. Oklahoma was represented by two universities; District of Columbia, Indiana, Illinois, Kansas, Michigan, and Utah by one each. It is evident that so far as serving as an outlet for research, the QUARTERLY is a regional journal.

The rejection rate fell during the year. For many years it had been found necessary to reject an average of about two *ms.* for each one accepted and published. For the past year, the number of papers submitted was almost exactly the same as for the year before; but the number published was greater and the number declined was very slightly larger than the number published. This means, of course, that less choice could be exercised as to quality of the articles accepted; though no apologies are offered for the quality of the published material, it is obvious that the keener the competition, the better the final selection will be.

Certainly it is true that we have published in the last volume some papers of which any journal might well be

proud. It is hoped that in the coming year the percentage of such articles will rise and that the distribution among the

various disciplines to which the QUARTERLY is devoted will be more even.

HARRY ESTILL MOORE
Editor

Library Classification Schemes Sought

Libraries with highly specialized collections are constantly faced with classification problems not covered by the standard systems. For this reason, the Committee on Special Classifications of the Special Libraries Association has urged persons who have developed spe-

cial schemes to add their efforts to a loan collection maintained by the Association. Such materials may be sent to Dr. Jesse H. SHERA, School of Library Science, Western Reserve University, Cleveland.

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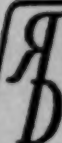
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